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Taxi driving: A study of leasing in New York City

Stevens, Allen Russell, Ph.D.

City University of New York, 1991

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Taxi Driving: A Study of Leasing In New York City

by

Allen Russell Stevens

**A dissertation submitted to the Graduate
Faculty in Sociology in partial fulfillment of the
requirements for the degree of Doctor of Philosophy, The
City University of New York.**

1991

1991

ALLEN RUSSELL STEVENS

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This manuscript has been read and accepted by the Graduate Faculty in Sociology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy

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Abstract

Taxi Driving: A Study Of Leasing In New York City

by

Allen R. Stevens

Advisor: Professor David Caplovitz

This study uses ethnography, survey research and organizational analysis to examine the impact that taxicab leasing has had upon the occupational, social and personal lives of fleet taxicab drivers. Ethnography has been conducted at the Yellow Taxi Company (a pseudonym for a major taxicab fleet garage in New York City); 408 surveys were completed by fleet drivers, and 50 interviews were conducted (30 with lessees 10 with management at various garages and 10 with local 3036 taxi union personnel). And organizational analysis was used in the description of how the shift from the commission remuneration system to the lease remuneration system effected the Yellow Cab Company.

PREFACE

The emphasis in this study is on taxicab leasing in New York City and what taxicab drivers think of it. The research considers the commission system and lease system to be significant social forces which influence the perceptions drivers have of these two vastly different work arrangements taxi fleet companies utilize as systems for taxicab driver motivation and remuneration.

Along with the institutionalization of the lease remuneration system, and the simultaneous deinstitutionalization of the commission remuneration system, new sets of work rules emerged for lessees working at fleets. These changes meant that the taxi fleet owners, and taxicab drivers entered into a completely new relationship. The new relationship was characterized by work rules which related to expenses which before lease drivers did not have as employees of

the companies. These new expenses related to payments made to the fleets each time taxi drivers worked.

This research examines leasing and what it means for the lessee. It describes how lessees now relate to the taxicab company, and also the taxi union. It focuses attention upon how lessees view their: Income; Relations with Management; Union Involvement; Collective Organization Apart from the Union; Attitude Towards Company Work Rules; Resistance against the Lease System; whether Leasing can provide a Satisfactory Living; whether Leasing has influenced Driver Retention in the Business; and, Drivers Attitude toward Taxi Driving.

I would like to thank the taxicab drivers of New York City, Taxicab Drivers Union Local 3036, the Metropolitan Taxicab Board of Trade, various taxi cab garages who wished to remain anonymous for their unflagging input. Also I give thanks Dr. Terry M. Williams for commenting to me in the fall of 1983 that I should both look into and do something with my experience in the taxi industry. I give special thanks to Professor Charles Winick for giving me substantive

advice, and for reintroducing me to Professor Michael E. Brown to whom I am give thanks for his encouragement in the preliminary stages of conceptualizing the study. I especially thank Professor David Caplovitz for advising me on general format and questioning utilized in the study. I am particularly grateful to Professor William Kornblum for both his intellectual support, and encouraging my development as scholar. Mr. Dean Harrison I am very grateful to, for over the years he has given me sagely advice and substantive support. To Mr. Robert Gilleece I extend generous posthumous gratitude for his advise on student services and related procedures.

To my devoted wife, Celeste A. Ridgeway-Stevens, I am grateful to her for making time between her professorial tasks and doctoral psychology studies to help me. I extend the highest of posthumous gratitude to Mrs. Florine Stevens for my motivation to succeed. And, to my siblings, Ms. Gloria D. Grant, Reverend Floyd Stevens, Mr. Melvin Stevens, Ms. Cheryle A. Stevens, and Ms. Linda S. Porcher, I owe many thanks to these wonderful people for both providing and taking an active part in seeing my endeavors come to fruition. Lastly, I would like to thank my best man, Mr. Roger K. Newman,

for both offering me many intellectual insights and lending a hand when one was needed.

Generally, this study is an outcome of my experiences with various modes employers use to pay blue collar employees within the transportation industry, and the effect it has upon worker productivity; particularly, it is an outcome of my experiences as a taxicab driver who has seen and understands both systems. This research is not intended to glorify one remuneration system over the other, nor pass judgement; however, it does examine the change from the commission system of remuneration system to the lease system of remuneration system and the effect it had upon drivers and the taxi company.

I drove a taxicab for a fleet garage New York City in order to support myself while I attended both college and graduate school. It was my intention to drive a taxicab until I found suitable employment; however, I found out shortly that time for taxicab drivers passes by extremely quickly; the result, I drove a taxicab for a decade and experienced the effects that leasing wrought upon drivers and management at the taxicab

company where I worked. To be productive where I worked, I had to be inside the taxicab ready for work by 6:00 A.M. during the week, by 3:30 A.M. on weekends, and went home between 4:00 P.M. and 5:00 P.M. With that sort of schedule, on average, I could not be highly productive for more than four days in a row. After that time, I found myself falling asleep almost any and everywhere. I would often fall asleep at stop lights on corners, in the middle of stilled traffic, at airports, at train terminals, at passenger ship terminals, usually while waiting for passengers to continue a multiple destination trip, or during some other relatively safe time and place. Towards the end of my career as a taxicab driver, I simply could not continue to face the changing organizational climate at the garage. Rather than, talking to those in charge who seemingly would not understand but did give orders, showing those who seemingly would not see but did give directions, or listening to those who seemingly would not listen but demanded to be listed to, I sought alternate means to support myself. Fortunately, a college for taxicab drivers opened; I applied for a position at the New York City Taxi Driver Institute (at the La Guardia Community

College site) and secured employment teaching taxicab drivers of New York City diplomacy, and the finer points of providing public transportation service.

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CHAPTER I

INTRODUCTION

This research is reflective of a transformation within the American economy. This shift has to do with how companies appropriate labor from workers. Many companies in the United States are undergoing a great change with respect to how they get labor power to produce both goods and services.

Increasingly, industries across enterprise sectors within the United States have begun to utilize labor power without having to hire employees (Wells, 1984). This type of labor power utilization is accomplished through the use of independent contractors instead of employees. The net result of this operation is that American industries have begun a transition from employees to using independent personnel. Industries as diverse as agriculture to medicine employ this method of operation (Wells, 1984; Nelson-Horschler, 1987; Day,

1987).

Wells (1984) reports that large California berry growers are subdividing plantations and implementing the sharecropping system. Each sharecropper receives a share, typically 50 - 55 percent, of crates, and boxes; and, is responsible for half the cost of precooling, loading, hauling, handling, and marketing. (1) From his share the tenant must pay any hired labor, as well as state disability and federal worker's compensation insurance. (2) Because croppers are deemed "independent contractors" by law and in the language of contracts, owners are freed from paying Social Security on their behalf. (3) Wells contends that not only do the landowners avoid employee associated costs, they disperse the risk of production uncertainties across many independent contractors. Most importantly, owners of the means of production have found a way to shift the cost of employee related production processes to independent contractors while simultaneously increasing economic stability and certainty.

Apart from sharecropping, employers in other businesses have found a means to externalize the costs of managing a staff (Nelson-Horchler, 1987). The advent of independent contractor use started nearly two decades

ago. Employee leasing began in 1971 as a vehicle to allow business owners to shelter cash in their tax-deferred pension plans, and proliferated under the 1982 tax rules. (4) However, some of the incentive for leasing have been removed by the Tax Reform Act of 1986. (5) Prior to the Act, companies were able to put away tax free pension contributions without extending the plan to their employees. (6) After the Tax Reform Act, if more than 20 percent of a business' work force is leased, the employees must be covered by the firm's pension plan. (7)

Estimates of how many employees (aside from taxi drivers) are leased range from 50,000 to 500,000, and some spokesmen of employee leasing companies are predicting stupendous growth for the industry... by 1992, there may be as many as 80 million leased employees working in the United States, many at medium

Day (1987) reports that there are over 350 firms nationwide now in the business of leasing entire staffs to employers. (9) By leasing employees, employers can save time on the procedures related to having employees such as: recruitment, selection, evaluation, payroll, and government paperwork. For other employers the

attraction of leasing is freedom from the burdens of maintaining a full personnel department. (10) The Practice Services Corporation leases entire staffs to medical and dental offices. A client of the PSC is the White Memorial Otolaryngology Foundation in Los Angeles, California. The Foundation uses the services of the 160 leased workers (who span the range of medical setting occupational stratification) who are employees of the PSC. The Foundation does not issue any paychecks, collect employee taxes, advertise for new employees, or fire unsatisfactory workers. (11) Most significantly, the employer (in this case the client) uses the labor, but does not hire the employees.

Across the United States, between 1915 and 1930, the taxi industry was organized into fleets operated by businessmen who bought out independent owner-operators (Gilbert, 1982). These large fleets utilized employee-drivers to operate their taxicabs.

Today, within the City of New York there are 11,787 yellow medallioned taxicabs (the medallion is a numbered metal stamp on the hood of the taxicab which gives the operator the right to accept street hails).

The taxi industry can be classified in terms of

two types of car service businesses. The first part is comprised of the yellow cabs, and the second is comprised of various vehicular services which include: gypsy cabs, gypsy vans, livery vans (which usually operate outside of Manhattan), and arranged services which may use any combination of telephone, beeper, or computer systems to locate calls, such as: livery cars, black cars, and limousines.

The yellow cab portion of the taxi industry is comprised of three types of taxicab operators. The first type is both owned and operated by nonunionist drivers. These owners often lease the taxicab to one or more drivers for a shift (which is usually twelve hours or more). The second type is mini fleets; mini fleet operators own more than two or three corporate medallions, and are required to operate each cab two shifts per day (Fulcinelli, 1987). Mini fleet owners, as a rule, do not have union contracts and lease the taxicab to nonunionist drivers. The third type is fleet ownership. Fleet operations, as a rule, have a union contract, own twenty-five or more corporate medallions, and only lease taxicabs to union drivers. In other words, a driver has to become a member of the taxicab

drivers union in order to lease a taxicab from a fleet operation. Fleet owners also have to operate the taxicabs two shifts per day (Fulcinelli, 1987).

Prior to 1979, fleet owners used employee-drivers to operate their taxicabs. However, after 1979, fleet taxicab companies began a major transformation from the use of employee-drivers to the use of lessee-drivers.

Although fleet operations have discontinued hiring commission drivers, the union remains the representative of the lessees. Mr. Larry Goldberg reported:

The union represents drivers at Taxi and Limousine Commission hearings, and provides benefits. It provides the drivers with legal services, it negotiates contracts with the fleets, and has a Health and Welfare Fund for the drivers, and provides other benefits and services for the drivers.

Most drivers whom I had interviewed seemed to not know why they had a union, and even doubted its *raison d'etre*. They were not well informed about what services the union offered them in exchange for the costs of membership, e.g., initiation fee, the daily lease permit, and monthly union dues.

There seems to be a communications problem between the drivers and the union. The problem may be due to the unions's lack of successfully communicating to the

drivers what it does for them. As a consequence, the drivers perceive the union as collecting membership money and not providing any services in return.

This research examines the impact that leasing has had upon the occupational, social, and personal life of taxicab drivers. The shift from wage work to a form of self employment reflects a broader sociological trend within the American economy in general, and within the taxi industry in particular (Larry Goldberg, 1989; Metropolitan Taxicab Board of Trade, 1989).

It also represents a transformation in how employers get the work done that their employees used to do. In the fleet component of the yellow cab industry, the reasons why employers adopt these tactics usually have to do with savings related to the costs of personnel administration, the use of nonunion labor, or the dispersion of risk in markets where production uncertainties prevail and require flexible responses of workers over time (Gilbert, 1982; Wells, 1984; Nelson-Horchler, 1987; Day, 1987).

Fleets in other parts of the United States, aside from fleets in New York City, have increasingly used independent contractors since 1971 (Gilbert, 1982).

However, the trend was not salient until 1975. Apparently, companies were attempting to avoid the problem of daily variable revenue. Taxi driver revenue levels are contingent upon basically two things. The first is the condition of the driver. The second is the weather. A driver who feels both emotionally ready (i.e., in a good mood, and feeling aggressive) and physically fit will consistently produce much higher revenue than a driver who is, for example, both angry or sad, physically unfit or feels languid and frustrated. The second are seasonal factors such as: hot days, hot and sunny days, hazy, hot, and humid days, cold days, cold and windy days, cold, windy and rainy days, cold, windy, and snowy days. Generally, the more pleasant the weather, the worse it is for revenues, and the worse the weather, the better it is for revenues. The ridership does not like to experience harsh weather, so in an effort to avoid it, they use taxicabs. Also Mondays, and Tuesdays are the slowest days for business, and holidays tend to be good for business. A possible explanation for those slow days could be that the ridership is less willing to spend money on taxicabs during the early days of the week, and competition

between drivers is relatively high. Holiday competition between drivers is less acute, and people are more willing to spend large amounts of money riding taxicabs.

Taxi companies have effectively dealt with the complex problem of daily revenue variability by shifting the costs to the independent contractor. The independent contractor now has to absorb the costs of daily revenue variability. An individual can flexibly respond by electing to work only on certain days. However, an absentee driver usually is responsible for paying for a shift that he has both agreed to and is scheduled to lease; to take off a scheduled work day, he has to give the garage at least a twenty-four hour advance notice of his inability to work; additionally, some fleets require that it be able to sell the shift to another driver, and if they cannot do so, then the cost of the shift is taken from the lease deposit of the absentee lessee. I once worked at a (now extinct) taxicab company (then named Four Square) which had a twenty-four advance notice policy. Its office secretary was notorious for neglecting to log advance notices given by drivers. As a result, many drivers wrongly paid for shifts. Even if

shifts were sold, Four Square still made drivers pay anyway. In effect, it forced drivers to pay for not coming in. Usually, fleets tend to have two lessees to a steady cab; if a lessee has a steady cab, the fleet will hold the car until the steady driver comes to work. If the driver is late, the car is still there. At fleets there are usually more drivers than cars; therefore, fleets want to know early, if they could sell the shift. Companies must know before it is too late (i.e., fleets prefer to dispatch their cars at the start of both the morning and night shifts, so that most of their cabs will be leaving and returning within an hour of one another.

The synchronization of dispatching hours serves to avoid the problem of too many cars coming in over three hours late. Around three hours after the beginning of each shift (5 A.M. or 5 P.M.) drivers are subtly urged by dispatchers, managers, and floor supervisors to come back the next day because cars usually do not return to the garage before those times, unless it is a weekend, or a holiday.

Nonetheless, the company will continue to have other lessees who will work any day, any shift, and

consequently, will produce stable, consistent daily lease fees revenue for the company, or drivers will not be allowed to drive the taxicab. In that way, taxi companies have improved their economic stability in an uncertain market; they have done so by shifting their source of taxicab driver revenues from unreliable daily bookings to the reliable daily lease fees.

Under the commission system, market uncertainty prevailed, was acutely felt by fleets, and was evidenced by the variability of daily bookings (which are taximeter earnings) of commission taxicab drivers which were turned in at the end of each work shift. Bookings usually ranged from as low as nothing (on an extremely bad day) to a high of over one hundred and thirty dollars (on a good day). To counter the problem of daily revenue variability of company earnings per driver, taxi companies instituted the lease system of remuneration. Under this system companies became certain about what amount of money to expect from each driver and cab for a work shift.

Today taxi companies in New York City only hire independent contractors to drive their taxis instead of commissioned employee-drivers. They do so for many of

the same reasons that other firms in other industries use leased workers and independent contractors. Companies engaged in leasing to drivers do not have to provide for workman's compensation, hospitalization, paid vacation, production bonus pay, and other employee benefits.

The use of employee labor in various fields without the hire of employees ranges in social forms from the use of independent contractors (Gilbert, 1982; Wells, 1984) to the leasing of entire staffs from leasing companies (Nelson-Horchler, 1987; Day, 1987). In all of the cases, the primary reasons for the use of independent contractors were due to the economic and practical needs of companies to save money and stabilize operations.

A BRIEF HISTORY OF THE NEW YORK CITY TAXI INDUSTRY

The organization of the system of remuneration has always been consequential for the work life of the New York City taxicab driver. During the early days of the taxi industry so called dock rats (hansom taxicab owners) and their henchmen were prevalent; they preyed

upon unsuspecting European immigrants at various New York City ports during the turn of nineteenth century.

The system of payment was uniformly unregulated and determined by each taxi owner (Vidich, 1976). Later, during the early part of the twentieth century, fleets emerged in New York City. Soon after their emergence came standards for the calculation of fares using taxi meters. One of the first fleets to evolve was the Yellow Cab Company (a pseudonym for a major fleet in New York City). The Yellow Cab Company used the commission remuneration system until the early 1980s.

In 1979, the New York City Taxi and Limousine Commission (N Y C T & L C) allowed leasing between fleet medallion owners and drivers. At Yellow, for example, it is now unheard of for a driver to be hired on a commission basis (Abo, 1988; Smitty, 1988; Ortiz, 1988). When Mr. Abo, a Black Nigerian driver 33 years of age with four years of lease only experience was asked whether he knew of anyone who was hired at Yellow as a commission driver he reported:

These people [the management of Yellow] don't even know what commission is. They only hire lease drivers, or they don't hire.

When I interviewed Smitty, a manager/ dispatcher at Yellow for over eighteen years, about the hiring of commission drivers he reported:

Commission died out at this garage in the early 1980s cause it wasn't makin' the company enough money. They'll never hire any more commission drivers here. That system is dead and gone forever at this garage. Around 1983 we stopped hiring commission drivers, but we still have some old timers around who are on commission, but they're gonna retire in a couple of years.

I interviewed Mr. Ortiz (who is a 58 years of age Hispanic and has worked on both the commission and lease systems) who has seventeen years of taxicab driving experience reported:

At this company either you lease or you don't work. Years ago they would hire you on commission.

Although commission positions are not available today, as they were before 1979, no studies have been done which compare the commission system to the lease system.

Today, under the lease remuneration system, Yellow exerts social control over the lessee through means of fear, economic reprisals and legal intimidation (Lincoln, 1988; Abo, 1988; Muhammad, 1988). I interviewed Lincoln, Abo, and Muhammad about how the company controls its drivers. Lincoln who has been at

the company for thirteen years is a Black American male who has lease with commission experience reported:

They [the management of Yellow] threaten to take me to court if I wanted to quit before my lease contract with them expired. I have a family and house payments to make. I don't need trouble from them, so I continue to work here and keep my mouth shut about what I don't like. I don't like that damn lottery dispatch system. They tell you to be in by one o'clock in the afternoon to get dispatched by five o'clock. The dispatcher puts your hack license in a barrel. If your number comes up, then you get dispatched. Sometimes your number does not come up, and you have to wait to see if they have a car for you. If they don't then you get a receipt good for the next day. What can I do? When I can work somewhere else, I will.

Abo reported:

If I fail to see taxicab body damage, and report it to the dispatcher and have him make a notation on my trip record, then I am responsible for paying for the damage. I have no choice but to pay because they simply take it from my lease two hundred dollar deposit.

Muhammad, a Nigerian male 44 years of age with lease only experience who has been driving a taxicab at Yellow for five years reported:

These people treat the driver like he is not a human being. They treat the drivers very badly, like the drivers are stupid or something. They make you worry about keeping your job; if you don't do what they want you to do they try to force you by not letting you work a couple of days. Suppose you don't like a certain cab, and you tell the dispatcher you don't want it; he can send you home. After a few days of that when you come back to work you will drive almost any taxicab. They know they

have power over the drivers, and the union will not really help you. . .

In the past, under the commission remuneration system, fleets motivated the taxicab driver through the use of a system of extrinsic economic and symbolic rewards (Brown and Moberg, 1980). The driver was encouraged by and entitled to employee benefits, and felt that he was treated with respect by company management. Rewards included bonus pay, paid vacation, a desirable steady cab, and choice of days off. However, punishments began as the productivity of a driver declined below average. Punishments included having his steady cab dispatched to another driver for one or more days, being dispatched on an undesirable cab for one or more days, losing the steady cab altogether, not being dispatched at all for one or more days, compelled days off (i.e., being told "where were you when we needed you, we don't need you today, or take a day off"), reprimand notices, suspension, eventual termination, and termination with unfavorable remarks upon the notice of termination (which greatly handicaps the short term future employability of the taxicab driver).

We will see in the following section that although

the taxi driver and his fare have been a frequent subject of sociological writing, relatively little is available on the consequences of major structural change in the industry.

THE TAXI INDUSTRY: BACKGROUND AND THEORETICAL RELEVANCE

Earlier studies of taxicab driving did not focus upon the effects of the system of remuneration upon taxicab driving. Instead, the system of remuneration was treated as part of the general background of the occupational life of the taxicab driver as he interacted with passengers (Henslin, 1967; Schlosberg, 1975, 1981; Vidich, 1976; Gilbert, 1982). Each study did not consider the implications of the institutionalization of the lease remuneration system and the corresponding deinstitutionalization of the commission system. Under the commission system, Yellow relied on an extrinsic reward and punishment system predicated on a feedback control mechanism (Brown and Moberg, 1980; Ferrow, 1986; Ortiz, 1988). Mr. Ortiz reported on how the company applies pressure to the drivers for large

bookings:

Today if you are a commission driver, you have to make a lot of money every day, or they kick you off and make you lease like they did me.

Feedback centered upon both financial and production control data to motivate employees (Perrow, 1979; Brown and Moberg, 1980). The economic control data focused upon minimal company standards for both the two shifts. The economic data were analyzed according to the average daily booking for the shift on a weekly basis. The highly productive commission driver received rewards such as: production bonus pay, verbal encouragement (in the presence of his colleagues) from the management, having his steady cab washed, and cleaned out with the high pressure air blower.

Production control data were derived from the company's weekly focus upon: paid miles (miles driven with the taximeter on, more are better), gasoline consumed (less is better), total miles driven (fewer are better) amount of booking (bigger is better), and days worked (more are better). If the commissioned driver did not comply with minimal standards of performance, then the sequence of aforementioned punishments began

(Etzioni, 1975; Perrow, 1979, 1986; Brown and Moberg, 1980).

The utilization of financial production feedback control data gave Yellow the character of a utilitarian organization which used both extrinsic and symbolic rewards to motivate commission drivers (Brown and Moberg, 1980). However, the remuneration system shift from the commission to the lease in everyday terms was very gradual and almost imperceptible to the commission men, although men who applied for commission jobs began to be told that "all the commission positions are taken at this time; however, if you want to lease a cab we can process your papers today and have you working within five business days, if you are ready." This informal policy of hiring only lessees and eventually no commission drivers, evolved into a requisite for taxicab driver employment at this company, as it has become at many others.

The company hiring policy was encouraged by its effectiveness as an employee behavioral control system predicated upon coercion and punishment. Employee control had gone from means of extrinsic reward and punishment to means of punishment and coercion. The

remuneration system shift has resulted in a changed character of the organization from utilitarian to coercive.

Henslin (1967) focused upon the interactions that the taxicab driver had at work with passengers of various types according to taxicab drivers' general expectations of the profitability of the taxicab fare plus a tip. Henslin reports that the taxicab driver used these categories: the business man (generally a good tipper), the lady shopper (an average tipper), the out of town visitor (a good tipper), and the blow-hard (a relatively poor tipper). Clearly, with today's pressures upon the taxi driver it is likely that they will apply standards which relate to the probability of getting both paid and tipped well. The application of these standards will directly relate to the standard of service passengers receive. The better customers will receive the better service, and the worse customers either will not get picked up, or will be treated with benign indifference.

Schlosberg (1976) reports that driving a taxicab in New York City is an occupation which reflects the system of class relations that exist in capitalist

society. For the taxi driver, the implication is that the owners of the company will continue to maximize surplus value from the labor of the lessees by continuing to ask for higher and higher lease rates until there is a collective movement afoot by the drivers to pressure the owners to work out a more equitable arrangement which will benefit both drivers and the company.

Schlosberg (1981) reports that the job of taxicab driver is very stressful, provides quick cash, involves high mobility, and may lead to "vices" such as: smoking pot and driving while high, gambling, and playing the horses. Schlosberg wrote at a time when the commission system was a predominant feature at fleet garages. Although lease drivers today have more of their own cash on them on a daily basis than did the commission drivers (because lessees manage their own cash, whereas commission drivers turned in their daily bookings), they will be under even more stress; therefore, the implication is that they will continue to spend, and probably even spend money on stress relieving "vices."

Vidich (1976) provides a historical description of the taxi industry from the late 1800s through the middle

1970s. He describes the early taxicab and the early days of the taxi business in New York City. He gives a historical account of how the negative image of the taxicab driver came about. Further mention is made of how the taxicab driver steals from the company. The taxicab driver does it by accepting fares that are not recorded on the taxicab meter, and keeping the money for himself. Vidich cites justifications that the taxicab driver uses to rationalize stealing: (a) family is too large to support on such a meager income, (b) cannot make enough to live on by strictly using the meter, (c) meter split does not result in a "decent" days wage, or (d) it is done when fares are scarce. He states that the taxicab driver does indeed make money using the resources of the taxicab company, but only to make ends meet in an otherwise impossible situation. Today drivers at fleets have a more difficult time stealing from the company in order to make ends meet. The implication here is that drivers under the lease system will resort to more inventive ways of stealing. One such way is to sell a new cab battery in exchange for money and an old battery at the end of the shift, so long as the driver has no steady car and will not be

effected by a cab that will not start because of a dead battery.

Gilbert (1982) provides an intercontinental and historical description of the organization and structure of the taxi industry, beginning in England and ending in the United States of America. The account does not focus upon the taxicab driver, but provides descriptions of types of taxicab driver-taxicab company work arrangements. The lease remuneration system is mentioned, but not taken as a significant independent variable affecting the quality of the work life of the taxicab driver at the taxicab company, nor in the driver's life. The focus is mainly upon the taxi industry as it pertains to the larger urban mass transit system and its problems. All in all, Gilbert implies that New York City will be no different from any other city in that its taxi transportation system is moving towards remunerative unity, i.e., the commission system will be a thing of the past and the lease system will be the only system left.

In none of the aforementioned studies, Henslin (1967), Schlosberg (1975, 1981), Vidich (1976), Gilbert (1982) were comparisons made between the two systems of

remuneration from the perspective of a taxi driver, nor from a professional sociological perspective. The nearest any of the authors came to reporting on the remuneration system and the taxicab driver was Vidich's statement that the commission taxicab driver steals from the company by not turning on the meter and accepting fares to increase his take home pay. Implicit in his research is the idea that further financial pressure on the driver will increase incentives to cut corners and "hustle."

The above four studies were completed prior to 1983. Before 1983, there were still very many commission taxicab drivers working. Today few such drivers are working and are probably close to retirement. At Yellow, there has been, since 1983, a freeze on the hiring of commission taxicab drivers (Smitty, 1988; Lincoln, 1988). Since 1983, the company has hired only lease drivers, and those remaining on commission are "asked" repeatedly or forced on way or another to lease (Abo, 1988; Jackson, 1988; Jones, 1988).

This research employed Yellow as an organizational model, and research site. It is in this company that the commission system is in decline. This company has been

used because it is considered a leader in the industry; it owns and operates approximately 300 taxicabs.

All in all, the lease system implies for former commission drivers a new employment arrangement bringing with it harsher working conditions. Those conditions arise from new work related expenses, and only twelve hours for drivers to generate revenue in excess of leasing costs. Leasing pressures have combined to cause the job of taxi driving to become more stressful than it was under the commission system. As Johnny, a thirty-three years old Black American male reported:

Today under leasing we work more hours, make less money, get treated worse, are under more stress from the company, and ticket enforcement agencies. We have to work at least from ten to twelve hours to make the same money we made when we were only required to work nine hours a day; it takes no genius to figure out we work more for less money. The company charges for taxicab body damage. If you're don't inspect the cab before you leave the garage, and somebody sees a dent on the car whether you did it or not, you will have to pay for it because you overlooked it and didn't tell the dispatcher to note it on your trip record.

He continued to report:

Another problem with the company is that it charges a twenty dollar per hour late return fee, but only gives you five dollars after the first hour if your taxicab breaks down. Then there are the traffic enforcement people who are dying to write you a ticket. Between those sorts of problems

who says leasing is better?

The following section provides a description of the sample and the population studied based upon the questionnaire which appears in Appendix A. These questions consist of the data in this dissertation.

The emphasis in this dissertation is on how taxicab drivers felt about leasing. Respondents who had both lease with commission experience, and only lease experience were sampled. Much of the subsequent analysis will be to compare the attitudes the two groups had toward leasing.

POPULATION AND SAMPLE STUDIED

The population of taxicab drivers studied came from fleet garages throughout New York City. Nonprobability samples were drawn from taxicab drivers as they were with the taxicab, before they were dispatched, and before they went home. In other words, I tried to get drivers at different points during their working day, so as to come into contact with different sorts of drivers. In order for drivers to have been included in this study they would have had to be active fleet taxicab drivers

at New York City garages. The sample of drivers in this study is further divided into two subsamples related to remuneration system experience. The first was by lease with commission experience; the second was by lease experience only.

75 percent were American citizens. 72 percent of the drivers were 39 years of age or less. 53 percent of the drivers had gone to college or graduate school. 51 percent had been driving a taxicab 10 or fewer years. 55 percent had lease experience only.

80 percent had worked at another garage before; 69 percent worked full-time; 65 percent were married; 64 percent had spouses who were employed; and, 50 percent had children.

Table 1.1. The Distribution of Taxi Drivers on Ethnicity

Black	36%
White	27
Hispanic	13
East Indian	9
Oriental	8
Afghan	4
Other	<u>3</u>
<u>N= 408</u>	<u>100%</u>

Table 1.1 shows that the population of taxi drivers was grouped by nationality or ethnicity. Most drivers in

the sample were Black (36 percent) which included drivers who were American, Haitian, West Indian, Nigerian, and Ghanian. The second largest group of drivers were White (27 percent) which included drivers who were American, Jewish, Irish, Italian, Israelian, Russian, and German. The third largest group were Hispanic which included drivers from Puerto Rico, the Dominican Republic, Cuba, and Columbia. The fourth group were East Indians (9 percent) which also could have included Pakistanies. The remainder of the population were Oriental (8 percent), Afghan (4 percent) which could have included Pakistanies, and Other (3 percent).

The composite picture of the drivers in this study which emerged was that they: were male American citizens, 39 years of age or fewer, college educated, had lease only experience, had other garage experience, drove the taxicab full-time, were married, had spouses who worked, and half had children.

Sampling was conducted at various fleet garages both during the week and on weekends. Taxi drivers preferred to participate in the study during the weekends, or away from the garage. They were avoiding possible negative management sanctions. Many drivers

feared that management would react negatively to seeing that they were talking about various garage related aspects of leasing, or other sensitive issues of leasing which management would feel sensitive about. A negative management sanction could be forced days off, last to get dispatched, forced to drive the worst cars, or some other equally inventive punishment management would elect to employ. The second problem was related to their suspicions that I was an undercover agent for the NYCT&LC sent to ferret out the drivers with negative attitudes toward the business. Their suspicions often were overcome by talking to interested drivers over an extended period of time, about half an hour. Usually interviews would last about twenty minutes. Even at my old garage past acquaintances were doubtful as to my true intentions for asking questions about the taxi business. However, as at other garages, the best time was for me to conduct research was on weekends during the afternoon.

The sampling of taxi drivers was conducted in both Queens, and Manhattan.

In Queens, taxi drivers were sampled at both Kennedy and La Guardia Airports. Most of the drivers at

the airports did not fit into the scheme of the study. They were either leasing the medallion, or owner-drivers who had no affiliation with fleet garages. From approximately sixty taxis in a taxicab holding lot approximately three or four of them were fleet taxis. Fleet drivers were to be primarily found at the fleet garages either going out to work, coming in from work, or at a nearby car wash (because it takes them at least ten minutes to get the cab washed, roughly the time needed for the average driver to fill out the questionnaire). Accordingly, the majority of interviews and questionnaires were completed by drivers at fleet garages located in Long Island City. In Midtown Manhattan, taxi drivers were sampled as they either waited on taxi stands for fares, or took a break at taxi relief stands. Sampling was conducted between approximately 5:00 A.M. and 6:00 A.M. at taxi lines in front of discotheques. Between approximately 6:30 A.M. and 3:00 P.M. drivers were sampled at the other field locations referred to in the methodology section.

METHODOLOGY

Survey research, ethnography, and documents have provided the data for this study.

Research was conducted at various sites the boroughs of Queens and Manhattan. Approximately 450 short questionnaires were distributed, and 408 were collected; many were lost and driven away by good intentioned taxicab drivers who had much more on their minds besides filling out questionnaires. The questionnaires were filled out by drivers who had two types of taxicab driving experiences. Those who experienced working under both the commission and lease system, and those who had only lease experience.

I was able to distribute several questionnaires then collect them, especially, after I had discovered how to time the various research sites around the city where drivers were willing to fill out questionnaires.

Ethnography was conducted at the Yellow Taxi Company during the dispatching hours of both the day and night shifts. Direct observations were taken of taxicab drivers during the course of their interactions with one another, and with company managers (i.e., owners and

personnel supervisors).

The interactions between drivers and managers have greatly changed after the introduction of the lease system. Prior to the lease system Yellow, taxicab drivers held friendly conversations with management, laughed and joked with them, and genuinely seemed to hold much more favorable opinions of them. Then, drivers took better care of the taxicabs. After leasing, drivers rarely spoke to the managers and even avoided them; the friendly laughter and jokes between management and drivers has disappeared, and the contemptuousness and bitterness toward the company is apparent. An anonymous driver approximately 39 years of age reported:

. . . that day I was broke, and there was no money in my house; I had my gun outside the garage. Last week I see trouble between another guy and the company, I did not want that to happen to me. The driver wanted to quit. He tried to get his [lease] deposit back, so they keep telling him to come back next week for almost three months. They [the Yellow Cab Company] had my money, but they wanted to play games. I started to use very bad language at those mutherfuckers. I told them I was going to leave right away and get my gun to shoot everybody in the office if they did not give me my money.

Taxicab driver conversations have been recorded for

their concerns and opinions of both the lease system and working conditions. For thirteen years, I was regularly seen on this company's premises by the range of its employees. Therefore, I continued to be as accepted as any other employee. Actually, the drivers, and other employees thought that I still worked there.

Additional access to the data were facilitated by my long term friendships with taxicab drivers, and through my adjunct lectureship at the New York City Taxi Driver Institute at La Guardia Community College. Although my friendships with taxicab drivers have proved to be an invaluable asset, my lectureship at the Institute has produced some population access. Prior to 1988, I had many conversations with other drivers about the business. During 1988 the NYCT&LC established a regulation that only drivers not previously licensed had to attend classes at the Institute. As a result of the regulation I was able to have access to less of the relevant population than I expected. By the time that this study was informally approved in February of 1989, the class attendance policy was in full effect, and the supply of taxicab driver respondents was cut off. Hence, those students who were left were the ones without any

taxicab driving experience of any relevance to this study. However, the lectureship has kept me close to the sentiments of taxicab drivers entering the business for the first time.

I had no problem selecting fifteen drivers whom I knew worked commission for a number of years, and have leased for a number of years who would participate in the study. The remaining fifteen drivers were selected at random and were most eager to state their cases. I selected thirty drivers for depth interviews to get a sense of what was actually going on at the garage between management and the drivers.

The problem of generalizability of findings was addressed by the field research methods employed. From years experience driving a taxicab, I knew where to find drivers of the most varied experience. Purposive samples of taxicab drivers were drawn from various field locations at different times. La Guardia Airport served as a better survey site than Kennedy Airport. Fleet garages served as field locations both in Queens, and Manhattan. Other field locations were Midtown Manhattan passenger terminals and hotels, such as the: Port Authority Bus Terminal, Pennsylvania Station, and

Passenger Ship Terminal, Penta Hotel, Hilton Hotel, Sheraton Center Hotel, Mariotte Marquis Hotel, Plaza Hotel and the Waldorf-Astoria Hotel. Generally, I would stay an average of an hour, then go to the next location.

Chapter 2 provides a description of both the commission and the lease systems of remuneration. Further in chapter 2 an analysis of how drivers felt about both systems of remuneration is provided; additionally, the results of how drivers felt about the various components of leasing is given. Chapter 3 provides a description of leasing in New York City. Then, it analyzes the factors which create competition for cab drivers and how that competition influences drivers opinions of making a satisfactory living from leasing. Later, it considers the state of relations between management and the drivers. Furthermore, it looks at whether drivers organize amongst themselves apart from the union. Lastly, it considers factors which may influence drivers retention in the taxi industry. Chapter 4 answers the question are there certain types of drivers who like leasing more than other types of drivers, or what is the relationship

between the social characteristics of drivers and their attitudes toward leasing. Chapter 5 deals with the issue of why drivers like leasing despite the many criticisms they have of the lease remuneration system. The answers are provided through an analysis of leasing by using typologies of drivers. Lastly, Chapter 6 provides a comprehensive review of the findings of this research. Then, it analyzes the implications of taxicab leasing for the expanded use of independent contractors in other industries which have to contend with daily revenue variability. Lastly, suggests new directions for further research in the paratransportation industry.

CHAPTER 2

THE TWO REMUNERATION SYSTEMS USED BY FLEET TAXICAB COMPANIES IN NEW YORK CITY

This chapter describes both the commission remuneration system and the lease remuneration system. After the descriptions of both systems, drivers evaluations of each system follow.

This study included drivers with two types of taxicab driving experience. The first group had commission with lease experience, and the second group had lease experience only. The first group numbered 184 drivers. The second group totalled 224 drivers. Throughout this study much of the analysis will involve the first group of drivers.

THE COMMISSION REMUNERATION SYSTEM: 1970 - 1979

Between 1970 and 1979, a taxicab driver on commission was an employee of the taxicab company. He was entitled to employee benefits and got paid from 41 percent to 50 percent of daily bookings (i.e., how much money he turned in per shift), tips, plus a minimum wage. He did not have to pay for gasoline consumed during his tour of duty, nor buy any lease permits to work. The company automatically deducted local and federal taxes and monthly union dues from his weekly paycheck. Basically, all the commission driver had to do was to put in a productive days work.

During the early 1980s the commission system began to decline. When management representatives were interviewed on the subject, they said that the commission system had revenue related problems which stemmed from drivers cheating the companies out of revenue, overly expensive routine operating costs to companies, and taxi fares not keeping pace with inflation. The ability of these companies to stay in the business was weakened. Many of the fleets went out of business. If it were not for leasing, those fleets

remaining could not survive in the business. (Exact figures on the number of individual owners still in business, or of fleets that went out of business were unavailable due to the legal definition of fleet medallion.) If fleet taxicab medallions were sold in pairs, then they qualified as being a fleets in a legal sense, although they were sold to individuals. (Gilbert, 1982)). However, during the 1970s, the New York taxi industry shifted from 57.8 percent fleet controlled to only 17.8 percent fleet controlled. (12) As Mr. Ronald Stoppleman, President of the Metropolitan Taxicab Board of Trade reported in 1989:

Taxicab companies in New York City are fighting for their survival. Their survival depends upon following the nationwide trend within the taxicab industry which is to begin the transition from the commission system to the lease system. This transition from one system to another means that companies will be able to reduce costs and generate enough profits in order to avoid going out of business.

Another representative of the taxi industry was asked about the decline of the commission system. Mr. Larry Goldberg, Treasurer, Taxi Union Local 3036 reported:

Taxi companies which survived the commission system began to focus on the hiring of lease drivers. They did so, in order to avoid the costs

of administering personnel related services for taxicab driver employees, and to simplify operations by not having certain employer-employee related obligations.

COMMISSION DRIVERS EVALUATION OF THE COMMISSION SYSTEM

We now consider how drivers with commission experience regarded the commission system. The lease drivers did not know anything about working under the commission system; therefore, they were not asked any questions about it.

Eighty-nine percent of commission drivers thought that leasing caused more problems between themselves and company management than the commission system did, and 90 percent thought that commission was more profitable for them than leasing was.

Table 2.1 presents data showing how commission drivers felt about the commission system.

Table 2.1. Attitude Towards Commission by Remuneration Experience.

Attitude Towards Commission	Commission Experience
Like	90%
Dislike	10
	100%
N	(174)

Ninety percent of the commission drivers

liked the commission system.

These data are indicative of drivers having been in the business long enough to both witness and feel the effects of the transition to leasing from the commission system at fleet garages.

Vignette 1

The Lease System is Hard Work

Tommy A. (White male age 64) who had tried leasing, but was able to return to commission, supported the commission system, and reported:

I'm too old to work that hard. The commission system is for me. I'll be retiring next year when I'm 65 years old. The lease system makes you work too hard. For expamle, under leasing you get dispatched at about 5:00 A.M., but it takes you most of the day to get back the money that you paid to lease the cab. You return at 5:00 P.M., after twelve hours, much more tired than if you worked nine hours under the commission system. That's why I came back less work and fewer hours for more or less the same money, for less mental and physical strain.

Jeff B. (White male, age 42) who began driving taxicabs during the middle 1970s reported:

After the companies found out that they could get you to lease in the late 1970s and early 1980s, then the pressure started to get you to make more and more. The more you made, the more they wanted from you. Things got so bad I could hardly keep up. I couldn't do nothing but work during the day. I was busy chasing fares for the whole nine hour shift.

Drivers who entered the business before 1975 felt pressure from taxi companies to make progressively higher bookings; however, it took until the early 1980s for the pressure to reach its heights. New drivers who started during the early 1980s usually have not had the experience of both systems, or they came into the industry when the commission system was in sharp decline and qualitatively different; it was imbued with high pressure upon drivers to make high bookings. Entering the business at this time would have given drivers a much different impression of how companies regarded bookings levels.

Commission drivers favored the commission system to a great degree. However, when drivers were interviewed, there were slight experiential differences within the group which accounted for how the commission drivers felt about the system. For example, drivers who started toward the end of the commission system had worked under the harsher conditions, and they remembered the worse aspects of the commission system. For example, Bryan a White male approximately 36 years of age who started driving in 1980, reported:

I worked on commission for two months, then they

[the bosses or management] started their shit. At first, I turned in \$115.00 a day, they wanted more. Then, I turned in \$120.00 a day, then \$130.00 a day, so I quit. In other words, I gave them what they wanted, and in return they jerked me. They gave me no steady car, long shape-ups, and the cars that they did give me were all fucked up.

Towards the end of the commission system, companies were applying bookings pressure on commission men for two reasons. First, to discourage those who were recently hired as commission personnel from getting comfortable and liking the system, and to compel them to ask to lease; however, it also worked for veteran drivers as well. For example, in the case of Charlie, a Black male approximately 60 years of age who reported:

I drove on commission for over fifteen years before I started to lease. I started to lease because they asked me to a few times. They told me, "Charlie you're not makin' enough money and we think you should lease." The next time they told me that they thought I would be better off leasing. That way, I could make as much money as I liked, and not worry about bookings. A couple of weeks later the management asked me again did I want to lease, so I got the message, and said I think I should lease now.

Second, companies aggravated many taxicab drivers into avoidance behavior. Drivers would rather avoid the aggravation of constant company harassment for weeks on

end over bookings. Management would begin to harass drivers by regularly issuing verbal warnings for drivers to raise bookings; if bookings did not meet the acceptable level, then reprimand notices would be issued to drivers for low bookings. After three reprimands, drivers were forced by the company to take a few days off during the busiest days of the week (which amounted to severe driver punishment due to the substantial loss of income). Sooner or later drivers gave in by leasing.

Vignette 2

When Leasing is Less Aggravating than Commission

Rolston T. (Black male) from Antigua, British West Indies, age 32, had 8 yrs. formal education, had Lease with commission experience, related how he came to lease:

They forced me to lease from commission. Either I leased or I didn't work. I ain't been playing my music, so this is the only way I can make this kind of money [he feels this way because he sees no other jobs he wants to do]. They kept asking for too much money. I wouldn't give it to them [while he was on commission]. . . They jerked me a couple of times on the weekends. I came in to work on two Fridays and two Saturdays, and after I waited until about 7:30 A.M., they told me that there were no cars, come back tomorrow on (my day off) Sunday. After that they kept giving me reprimand notices for low bookings. I got tired of arguing with them every week, so I told them I wanted to lease.

Often, as far as some drivers are concerned, they only remember how bad things had been, before the company goaded them into leasing, which may account for their negative attitudes toward the commission system. Below is an example of how a driver who had commission with lease experience felt negatively about working under the commission system towards its decline. Benny, a White male 56 years of age who worked on commission during the early 1980s, during its decline reported:

Under the commission system, there were too many bosses, too much pressure from upstairs telling you to make money. Commission means forced work, harassment, do this, do that, work this day, or don't come in the next day. Every time you turn around, the bosses hands are out and they get bigger and bigger... I'm gettin' out of this business, maybe I'll drive a limo.

As can be seen, the majority of drivers who had exposure to the commission remuneration system were overwhelmingly in support of it. However, drivers who experienced the decline of the commission system had negative impressions of it.

As noted, the great majority of commission drivers thought leasing caused more problems with management than the commission system did, and a smaller majority thought that the commission system was more profitable

than leasing. Table 2.2 shows how these opinions are related to each other.

Table 2.2. Leasing Caused More Problems between Drivers and Management than Commission did by Commission is More Profitable for Drivers than Leasing is.

Leasing Caused More Problems	Commission is More Profitable for Drivers than Leasing is	
	Agree	Disagree
Yes	94%	83%
No	06	17
%	100%	100%
N	(147)	(16)

Table 2.2 indicates that of the great majority of drivers who thought that commission was more profitable than leasing - 94 percent - thought that leasing caused more problems between themselves and management, whereas, somewhat fewer of drivers who disagreed that commission was more profitable than leasing had this view - 83 percent.

The drivers who reported that commission was more profitable for themselves than leasing usually thought about the commission system in long terms of financial security. They did so because they were usually nearer to retirement, whereas younger, less experienced drivers usually thought of profitability in short terms of how

much money could be earned each day. However, some drivers looked at the profitability of each system relative to who benefited. Brenda, a Black American female 41 years of age, who made the point most clearly, reported:

I drove on commission for a couple of years, from 1980 to 1982. The management started asking for money, so I asked to lease. I did not need them on my case day in and day out. The commission system was more profitable for the fleet drivers, and the lease system is more profitable for the fleet owners. The lease system is no good for the drivers who know better.

These data indicate that the vast majority of commission drivers favor the commission system. These drivers also thought that commission was more profitable for them than leasing. In addition, they saw commission system profitability in terms of a weekly paycheck amongst other employee benefits. As Marlon, a Jamaican Black man approximately 39 years of age who has over eleven years experience reported:

The commission system gave you something to work for. If you made good during the week, it showed on your paycheck. If you kept it up for the year, you got a two week vacation with pay. On lease if you work hard, the only thing you get is higher taxes and more tired.

Table 2.3 considers how the number of years driving a taxicab was related to whether those drivers who had

commission with lease experience thought that leasing caused more problems between themselves and management than commission did.

Table 2.3. Leasing Caused More Problems between Drivers and Management than Commission did by Years Driving a Taxicab.

Leasing Caused More Problems	Years Driving a Taxicab	
	10 or Fewer	11 or More
Yes	80%	88
No	20	12
%	100%	100%
N	(15)	(145)

Table 2.3 indicates that 88 percent of commission drivers with 11 or more years experience thought that the leasing caused more problems between themselves and management than commission did. Somewhat fewer, 80 percent of the commission drivers with 10 or fewer years experience thought that leasing caused more problems between themselves and management than commission did. Milton reported on what makes trouble between management and drivers:

The company treats drivers with no respect. They don't listen to people. They don't understand, you don't take people's money and give them pieces of paper good for the next day. That makes trouble.

Milton referred to the prevalence of the no cash

refund policy found at most fleet garages. Once drivers paid the lease fee, and the company ran out of taxicabs, it would rarely give drivers cash refunds for lease fees. Instead, drivers were given lease credits good for the next day or so.

Veteran drivers reported that the problems created by leasing between lessee drivers and management have resulted in property damage at the Yellow Cab Company.

Vignette 3

Drivers Strike Back at the Company

Jackson J. (a Black American male) age 37, has Lease with Commission Experience who saw what happened at the company after two drivers could not get their daily lease fee cash refunds. He reported on the activities of two irate taxicab drivers:

This morning I saw two guys smashed the windshields on least four cabs on 22nd Street. I was inside [the garage] when the argument got loud, then I went outside to blow out the cab near fence (he points the fence on the 22nd St. side of the company premises) from which he could see the disgruntled lessees smashing taxicab windshields with bricks.

Jones, T. (a Black American male) age 43, and has Lease with Commission Experience. He saw the management fire a lessee, then refuse to give him a two hundred dollar lease deposit refund. He watched the lessee storm from the garage. As he [Jones] was warming-up his personal car he saw the lessee slashing the sidewalls of many tires, then calmly walk away from the

vicinity to get help with the rest of the tires. In all some forty-eight tires were slashed.

They did the property damage because the company refused to give them cash refunds for their lease fees. The company ran out of taxicabs, and gave them (a common cash register receipt) a credit slip (which is good for the next day, or some other future shift), and told them to come back tomorrow (Jackson, 1988). On another occasion at Yellow, over four dozen taxicab tires were destroyed by an angry lessee who had been refused a refund for his lease deposit, after he asked for it at the time the company fired him. (Jones, 1988).

When union representatives and management representatives were asked how the drivers felt about leasing, they reported that different drivers felt differently about it. However, the union reported that the older, more experienced drivers who have been on commission generally favored leasing less than the drivers who did not have commission experience.

The union reported that in the late 1970s, when leasing was being considered at garages the taxi union

fought against it because the union membership did not want leasing. However, union membership resistance to leasing changed as the majority of the old membership began to retire or leave the industry, new union members slowly replaced them. Leasing became less and less of an issue, and was accepted as the way taxicab driving was done.

THE LEASE REMUNERATION SYSTEM: 1979 - 1990

Taxicab Leasing takes many forms, but in a typical lease arrangement, a driver is given control of a medallion in exchange for lease payments made to the medallion owner or his representative.(13) The driver is responsible for all daily operations of the taxicab while the owner has only intermittent operating responsibilities. (14) The extended length of minifleet and individual medallion leases (as opposed to per shift leasing generally practiced by the fleets) has created a central role for intermediaries to manage owners' medallions. (15) This role has been filled by medallion brokers and lease management companies which find drivers, obtain the vehicle and liability insurance, and

perform tasks that are the medallion owner's responsibility. (16) Under this arrangement, medallion owners receive an agreed-upon income without being involved in the daily operation of his or her medallion. (17)

Lease prices, which are not regulated by the New York City Taxi and Limousine Commission, are a central factor in determining how taxi fare revenues are divided between owners and drivers. (18) For leased medallions, changes in lease prices determine who benefits from changes in taxi fare revenues generated by a fare increase. (19)

In February 1987, a survey was conducted by the NYCT&LC of 529 cases which contained information on medallion owners, medallion brokers and lease management companies. It showed that in some instances the owner, _ medallion broker or lease management company are responsible for providing and maintaining the vehicle and paying insurance premiums. In other cases the lessee is responsible for some or all of these costs. (20) The relationship among drivers and owners of minifleet medallions varies, depended on the lease agreement. The most common arrangements are:

1) a medallion is leased with a vehicle to two drivers, each of whom operates one shift. Each driver makes a separate lease payment to the owner, broker, or management company.

2) a medallion is leased without a vehicle to a driver, who provides the taxi and finds someone to drive the second shift. The lessee alone makes the lease payments to the owner, broker, or management company.

(21)

A third arrangement is for an individual medallion to be leased to a driver for a single shift (Fulcinelli, 1987).

Leasing has been a way for owners to continue to generate revenues while not actually driving the cab themselves. However, in New York City, fleet medallion owners were restricted from being able to lease to taxicab drivers until 1979.

After 1979, fleet garages were able to implement the initial stages of the total transformation of their taxicab driver remuneration system. They went from the commission system work force of employee taxicab drivers to independent contractors under the lease remuneration system.

Each lease shift is usually paid in advance of getting dispatched. (Advance payment terms are normative at fleet garages; other payment terms are available depending on lease contract. Lease duration is usually done by the day, week, or month. Lease fees vary according to the company contracted with. Typically, a Fleet garage generally does not lease taxicabs on a monthly basis. Generally, a five or seven day weekly lease costs from \$375 to \$450. A typical shift is twelve hours.

Getting dispatched is actually a process commonly known as the shape-up. Before drivers are given taxicabs, the cashier conducts a computerized union dues update (if monthly dues are not paid, the driver is not dispatched until they are paid). After the computer check, the driver pays the daily lease fee, and deposits a \$2.00 taxi union daily lease permit (or the lessee will not be dispatched). Sometimes, however, drivers still do not get dispatched which results in problems for both the lessee and company.

Below are daily lease prices from the Yellow Cab Company which were about average for fleet garages at the time this study was undertaken.

<u>Shift</u>	<u>Day</u>	<u>Night</u>
Sunday	\$61.00	\$77.00
Monday	63.00	71.00
Tuesday	65.00	77.00
Wednesday	70.00	76.00
Thursday	72.00	83.00
Friday	72.00	86.00
Saturday	62.00	84.00

At fleets in New York City, the convention is that lease fees are usually cheaper Sunday through Tuesday than Wednesday through Saturday; they are more expensive for the evening shifts than the day shifts all week.

DRIVERS EVALUATION OF LEASING:

THE COMPONENTS OF LEASING

This section presents data on how taxicab drivers felt about the lease system. It also shows the opinions of drivers regarding the components of leasing they must cope with in order to lease a taxicab from a fleet garage; these components are: the lease fee, lease fee amount, lease permit, having to pay for gasoline, late cab return fee, and tax and social security payments. Additional data are presented regarding whether drivers thought that they could earn a satisfactory living from

leasing; the effect of leasing upon driver retention in the business, and drivers attitudes toward leasing.

Fifty-seven percent of all the drivers in the sample favored leasing. This finding seems to indicate that the drivers were almost evenly split regarding how they felt towards leasing. A possible explanation for the close split on driver opinion could be that this finding is reflective of their group-related experience with only one system of remuneration. Table 2.4 below looks at drivers attitudes towards leasing by their remuneration system experience.

Table 2.4. Attitude Toward Leasing by Remuneration Experience.

Attitude Toward Leasing	Remuneration Experience	
	<u>Commission</u>	<u>Lease</u>
Like	40%	72%
Dislike	60	28
	100%	100%
N	(166)	(199)

The 199 drivers with lease only experience constitute 53 percent of the sample and a majority of them - 72 percent supported leasing. Of the drivers with commission experience only 40 percent approved of

leasing. As Al, a supporter of leasing, a Black male 31 years of age who had lease only experience reported:

If you lease, do it for a short time until you can do something else, or you will lose. There is no pension for you as there was under the commission system. The old timers told me about it. If given the chance, I would prefer the commission system to the lease system. I'm lined up for a job with the city as a bus driver. When they call me I'm going and there will be no more cab driving.

However, Manjit reported:

I only know about leasing. It is a good job; I work hard, and make pretty good money for one day of work.

Younger drivers saw the daily cash while the older drivers saw how much work went into the job for such a relatively small return as compared to the commission system.

As we have seen, the majority of drivers with commission experience opposed leasing. They did not like it due to the changes that accompanied its arrival at fleet garages. Of that group, a driver explained why he favored the commission system over the lease system.

Milton reported:

The company treated drivers with respect. They knew if a driver felt good about the company, he'd make more money for the company. The company treats the driver right and the driver treats the company right.

Table 2.5 considers how drivers felt about paying the lease fee. Of the entire group, 74 percent would rather not pay the lease fee, and as the table shows, this is related to remuneration experience.

Table 2.5. I Rather Not Pay the Lease Fee by Remuneration Experience.

I Rather Not Pay the Lease Fee	Remuneration Experience	
	Commission	Lease Only
Agree	79%	70%
Disagree	21	30
%	100%	100%
N	(171)	(198)

Table 2.5 indicates that 79 percent of commission experience drivers, and 70 percent of lease only experience drivers would rather not pay the lease fee. As Maurice (who was still on commission at the time of the interview), a White male 47 years of age reported:

Pay the lease fee, who ever asks can they pay a bill? That like askin' to pay a bill, I won't be askin'.

Maurice suggested that paying the lease fee was similar to paying any other bill, and that he did not want to pay any bills including the lease fee itself.

Similarly, Marlon reported:

The lease fee is too expensive. Maybe if it was lower, I wouldn't mind to pay it.

The next table indicates that 82 percent of the drivers thought that lease prices should be lower.

Table 2.6. Lease Prices Should be Lower by Remuneration Experience.

Lease Prices Should be Lower	Remuneration Experience	
	Commission	Lease Only
Agree	88%	76%
Disagree	12	24
%	100%	100%
N	(196)	(207)

Eighty-eight percent of drivers having commission experience, and 76 percent of drivers having lease experience only thought that lease prices should be lower. Although substantial majorities of both groups had this opinion, it was most prevalent among commission drivers. Maurice reported on lease prices:

Those guys who are leasing pay too much because the lease fee is too high. It's just too expensive for the drivers to make out.

When Charlie was asked what he thought about the level of lease prices he said, "they could come down a bit."

Another issue is paying for the lease permit, the proceeds of which go to the taxicab drivers union. Table

2.7 deals with what drivers thought about paying for the permit. 78 percent of all drivers would rather not pay for the daily lease permit.

Table 2.7. I Rather Not Pay for a Lease Permit by Remuneration Experience.

I Rather Not Pay For a Lease Permit	Remuneration Experience	
	Commission	Lease Only
Agree	80%	77%
Disagree	20	23
%	100%	100%
N	(170)	(209)

Table 2.7 indicates that there is little difference between commission experience and lease only drivers in this respect, as 80 of the former and 77 percent of the latter, would rather not pay for a lease permit.

Vignette 4

Why Should We Buy Lease Permits?

Herbet, A. (an Hispanic male age 56) who had been forced into leasing from commission. He reported: Why should we [the drivers] pay for lease permits? I see no reason. The union gets its dues every month or

we don't work. They get money anyway, so what are we buying lease permits for?

The basic reason why drivers did not want to purchase them was because the taxi union received its dues each month from drivers who worked. And, as for the drivers who stopped working for any number of months, they still were required to pay any union dues which were in the arrears before they were allowed to work.

Lessees also have to pay for gasoline. The following table, presents data on what drivers thought about paying for fuel. 82 percent of all would rather not pay for gasoline.

Table 2.8. I Rather Not Pay for Gas by Remuneration Experience.

I Rather Not Pay for Gas	<u>Remuneration Experience</u>	
	Commission	Lease Only
Agree	88%	76%
Disagree	12	24
%	100%	100%
N	(183)	(207)

Further evidence of commission drivers greater hostility toward leasing is shown by this table. Table 2.8 shows that 76 percent of lease only drivers, and 88

percent of commission drivers agreed that they would rather not pay for gas. Maurice, reported:

Who wants to pay for gas? These days if my mileage is too high the company charges me for some of it, so I keep it low enough for them. Sometimes it hard to keep it down and keep the bookings up. No, I really don't want to pay for gas.

Spence, a Black American 34 years of age with lease experience only reported:

The way the situation is now, yeah, I mind paying for gas. It just too damn expensive. Paying between twelve and seventeen dollars a day for gas ain't no joke; it adds up. Why can't the company charge us whole sale prices; we have to top it off there anyway?

The data seem to suggest that if gasoline prices at the taxi companies and elsewhere were lowered, then drivers would be more willing to pay for gas.

The next issue to be considered is payment for late cab return fee. In all, 60 percent of the drivers would rather not pay the late cab return fee.

Table 2.9. I Rather Not Pay the Late Cab Return Fee by Remuneration Experience.

I Rather Not Pay the Late Cab Fee	Remuneration Experience	
	Commission	Lease Only
Agree	64%	55%
Disagree	36	45
%	100%	100%
N	(172)	(206)

Table 2.9 indicates that 64 percent of the commission experienced drivers and 55 percent of the lease only drivers agreed that they would rather not pay the late cab return fee. However, many do not mind the fee per se, but they do mind paying it because they cannot control who the money goes to. As Brenda reported:

I don't see anything wrong with the late cab return fee, but why does the company have to get it. After all, the next driver is waiting to go out on the car, not the company. If anybody should get the money, the next driver should get it because that's who is waitin' for the cab.

Next to be considered is the fact that under leasing, the drivers have to pay their taxes and social security themselves rather than have these deducted from their pay under the commission system. Table 2.10 present drivers opinions on the matter. 78 percent of drivers would rather not pay their taxes or their social security themselves.

Table 2.10. I Rather Not Pay My Taxes or Social Security Myself by Remuneration Experience.

I Rather Not Pay Them Myself	Remuneration Experience	
	Commission	Lease Only
Agree	81%	74%
Disagree	19	26
%	100%	100%
N	(172)	(209)

Table 2.10 indicates that 81 percent of drivers with commission experience and 75 percent of drivers having lease experience only wish that they did not have to pay their taxes nor social security by themselves. In short, great majorities of both groups have this opinion, especially, the commission drivers who once did not have this responsibility since the company paid both for them. Maurice reported:

I rather the company take both taxes and social security out for me; it is easier that way.

Charlie reported on the subject also:

No matter what you do you're gonna have to pay your taxes, I'd rather not do it myself; I rather the company do it for me.

Charlie further reported:

The company could help with social security, only 'cause they used to when I was on commission.

Table 2.11 considers what drivers thought of making a satisfactory living from leasing, and relates their opinions to remuneration experience.

Table 2.11. Leasing Affords a Satisfactory Living by Remuneration Experience.

Leasing Affords a Satisfactory Living	Remuneration Experience	
	Commission	Lease Only
Yes	58%	58%
No	42	42
%	100%	100%
N	(178)	(212)

Table 2.11 shows 58 percent of both groups of drivers thought that leasing afforded them a satisfactory living. The proportions of both groups of drivers who thought that they could earn a satisfactory living from leasing was identical. Charlie reported that:

A driver can make good money driving a cab, but it ain't easy. Man you gotta git out there and drive, drive man, drive.

Another driver, Manjit, 20 years of age with one years lease only taxicab driving experience reported:

This is the job to have; you can make fast money and good money.

These data indicate that although the majority of drivers thought that they could make a satisfactory living from taxicab driving, many others did not agree which raises the question as to how did drivers view

their income situation.

Drivers reported that the lease system had its short term advantages over commission. Those advantages were that lessees got paid cash everyday, could set their own daily income level, had no boss who established for them a daily bookings quota, and were able to set their own work schedules. Milton, a 54 year old Black Trinidadian male who has been driving for 16 years reported:

Today, lease is fast money you can't keep. Drivers make more money under commission. They get employee benefits. Drivers make less under leasing, they get nothing for something.

However, drivers also acknowledged that over the long term, the job was no good unless they invested in buying a medallion, or did something else with the cash. Since many drivers thought that the long term disadvantages of leasing out weighed the short term advantages, did that paradox of leasing result in a negative effect upon driver retention in the business?

Table 2.12 addresses the effect of leasing upon the retention rate of drivers in the business. It shows that 80 percent of the drivers thought that leasing did have a negative effect upon the retention of drivers in the

business.

Table 2.12. Leasing Causes Drivers Short Stays in Business by Remuneration Experience.

Leasing Causes Short Stays	Remuneration Experience	
	Commission	Lease Only
Agree	85%	75%
Disagree	<u>15</u>	<u>25</u>
%	100%	100%
N	(181)	(209)

Table 2.12 shows that 75 percent of drivers with lease experience only and 85 percent of commission drivers reported that leasing had a negative impact upon the retention of taxicab drivers in the taxi industry. Maurice reported on the subject of retention rates and leasing:

Today not many American guys are coming into the industry to make a career of taxicab driving. They stay for a short time, cause its a tough job to make a decent buck in. Instead, guys from other countries are coming in. So, these guys may stay longer because they don't know what it used to be like.

Charlie reported on the subject:

This job has got tougher. It may have got so tough guys are stayin' a much shorter time than they used to. Especially, Americans you hardly see then driving anymore.

Milton reported on the effect of leasing upon retention:

You can't expect men who know what's happening to stay in this business long at all. They only stay until they can leave. This job's not for someone who can do something else. Its not like it used to be. Today there's too much pressure on the driver to make the lease fee back, and then some for him. There's no more one hand wash the other and both wash the face. There's only one hand and it ain't washin'; it's in the pocket of the driver.

Although these data indicate that the vast majority of drivers thought that leasing was having a negative impact upon the retention rate of drivers in the industry, the following section describes how taxicab drivers viewed the impact of leasing upon them occupationally, socially, and personally.

CONCLUSION

The data show that the vast majority of drivers who had lease with commission experience thought that leasing caused more problems between the drivers and management than the commission system did. Only a minority of the drivers who had commission experience supported leasing; however, the vast majority of drivers who had lease experience only supported leasing. The overwhelming majority of drivers did not want to pay the lease fee, especially the drivers who had commission

experience. The majority of drivers thought that lease fees should be lower. Most drivers would rather not purchase the lease permit. The vast majority of drivers did not want to pay for gasoline, and those who had commission experience felt most strongly about it. Although most drivers would rather not pay the late cab return fee, many thought it was a good idea. They thought that it compelled drivers to return taxicabs on time. However, one driver, representative of many others, could not see why the taxicab company had to get the money. Instead, she wanted the money to go the next driver on the late cab. The majority of drivers would rather not pay taxes and social security themselves; however, drivers having commission experience were in the greatest opposition toward paying them themselves.

Despite the apparent expense of leasing, most drivers thought that they could earn a satisfactory living from leasing. Also, most drivers agreed that leasing caused drivers to stay a short time in the business.

CHAPTER 3

NEW YORK CITY TAXICAB LEASING

First, this chapter describes the external work environment in which lessees must perform. Lessees work in an environment which is replete with other paratransportation carriers. These other transportation services create an environment which is very competitive for the taxicab drivers. Second, the relations between drivers and management are described. Third, the drivers relations amongst themselves are described. Finally, driver retention in the industry is examined.

CABBY COMPETITORS: DRIVERS EVALUATION OF MAKING A SATISFACTORY LIVING FROM LEASING

Drivers reported that a satisfactory living was easier to make under the commission system, due to the relative lack of both the daily work related expenses and uncontrolled outside competition. Lessees have many

expenses; therefore, it takes them until they have generated revenues above their expense base to make a profit. To pay for expenses takes anywhere from four through six hours, many days lessees break even or even take a loss. Not only are lease related expenses one factor, but outside competition is another.

Outside competition is basically of two sorts. Gypsy cabs which are relatively unregulated, and black cars which are organized and controlled by the regulatory standards of enforcement agencies (which will be mentioned later).

Many Gypsy cabs are illegal, due to non-compliance with vehicle standards for public transportation service. Other legal livery service cabs which are converted, four door cars are mainly used to provide taxi service to people in the inner city areas of New York City. Prior to the 1970s these cabs were mainly found in areas of the city which yellow taxi drivers avoided. They perceived these areas as too risky, that they would not be paid or even robbed. So, they left these areas under serviced, and gypsy cabs (construed as

unlicensed and uninsured vehicles for public hire) began to satisfy the demand for taxi service. Gypsy cabs and liveries (construed as both improperly licensed and inadequately insured vehicles for public hire) had started to become widespread in uptown Manhattan, the Bronx, and Brooklyn. However, by the middle to late 1970s, leasing started to become a popular option for drivers who no longer wanted to work for someone else. Meanwhile, the inner city areas remained underserved. Many drivers who began as gypsy drivers switched over to yellow cabs and back again to gypsy cabs in efforts to avoid both the high expenses of leasing and moderate to high pressure companies applied in order to spur drivers to make daily bookings within company-acceptable standards. Drivers reported that there was no reason why they should pay a company to drive its cab when they could buy four door cars and work uptown Manhattan, Bronx, Brooklyn, Queens, and Staten Island areas where yellow cabs were scarce and demand for service present and growing.

The experience of driving yellow taxicabs showed drivers the benefits of regulatory compliance. Large numbers of the gypsy drivers began to realize that it

was easier and more profitable to comply with regulatory policies. They began to change their methods of operations to meet both the demands and requirements of the market place. They began to operate legitimate livery services, with two-way radio equipped cabs. Even though they are restricted from picking up street hails, in fact they have been picking up street hails with great regularity anywhere in the five boroughs legally or not. During the early 1980s, more and more drivers turned away from the hardships of yellow cab leasing, and towards operating livery services as drivers or as owner-operators. By the middle 1980s, their numbers have been estimated at being between 8,000 and 40,000 (Morris, 1985). This large influx of liveries became a problem for yellow cab lease drivers, for they had to compete with liveries coming into their legal domain of operations and absorbing much of their profits.

At first, the public was skeptical of riding in a strange color (any color besides yellow) cab, or with a person who had no visible identification, or in a car with no visible company name. But as the profitability of livery operations began to manifest itself through

drivers using high status cars such as Cadillacs, and Ninety-Eights, the public began to have more confidence in the service. In the words of a lease driver, "a dude pulls up behind your yellow (yellow cab), or pulls up in front of your yellow, or even pulls up on the side of your yellow with a clean Caddy, what you think that passenger is gonna do for the same price or even cheaper? Get inside your Yellow Chevy or Ford? Hell no. He's gonna get inside the better looking, cleaner looking, more comfortable car." That statement partially underscores the sort of the competition lessees have to endure.

Black cars get the cream of the profitable jobs. They get the more lucrative long trips outside of the city, and to the airports (Lewis, 1988). Lessees have to compete with black cars that were not a significant competitor during the heyday of the commission system. Black cars became popular during the early 1980s when the N Y C T & L C ordered two-way radios to be taken out of taxicabs which used to almost exclusively service corporate accounts. The corporate accounts used to be serviced by both yellow cabs and limousine services; however, yellow taxicabs got relegated to

street hails, leaving a market serviceable by black cars, for the customer who did not need a limousine yet wanted prearranged service. A black car is a two-way radio equipped car that picks up corporate accounts and private customers which generally pay better than the average street hail. They may be any color. Generally, large, plush, sedans are used, e.g., Lincoln Continental Town Cars, Cadillacs, Mercury Gran Marquis, Oldsmobile Ninety-Eights, or Oldsmobile Eighty-Eights.

By the late 1980s, the use of black cars proliferated. Black cars have taken nearly all of the long, and out of state jobs away from taxi drivers who worked the streets, and depended on two or three such jobs during a weekly tour of duty. Black cars are allowed to only pick up passengers through an arrangement which usually takes a phone call to the radio base. However, lessees frequently reported that black cars have been seen accepting street hails, a practice which is against the rules of the N Y C T & L C.

Union representatives reported that those drivers who choose to remain in the business are making a satisfactory living, and the ones who can not make it

leave the business.

Management representatives (in contrast to the drivers) reported that drivers can make much more money leasing than on commission, and it is a better system for the driver; it gives them a sense of true entrepreneurial responsibility.

Although the majority of drivers in this study thought that they could earn a satisfactory living from leasing, would the pressures of expenses, and other competition lead fleet drivers to resort to taxi meter tampering?

Ninety-two percent of lease drivers having commission experience and 93 percent of drivers with lease experience only thought it was not right to tamper with the taxicab meter in order increase revenues, e.g., by controlling the meter manually, shortening waiting time, or through other means. 93 percent of drivers having fewer than ten years experience and 93 percent of drivers having eleven or more years experience did not think that it was right to tamper with meter at all.

Although the overwhelming majority of fleet drivers do not react to the hardships of taxicab leasing by tampering with the meter, the question then arises as to

what exactly are some of the effects of the hardships of leasing. Do other hardships relate to: how long drivers are willing to stay in the business, leasing demands upon the time of drivers, relations with management, company work rules, and how lessees relate to the taxi union. Although drivers saw making a satisfactory living from leasing as a possibility, did they think that the pressures of leasing had an effect upon the relations with management. We will see in the next section what drivers, management, and the union thought about it.

The majority of drivers (58 percent) thought that they could make a satisfactory living from leasing. However, younger drivers, drivers who had been in the business fewer than ten years were more likely than older drivers who had been in the business longer to see leasing as being more profitable than commission. They probably saw it in short terms of daily cash income. While the older drivers, drivers who have been in the business eleven or more years were more likely to see commission as being more profitable than leasing. They probably saw it in long terms of employee benefits with the absence of work related expenses. Consequently, the more seasoned drivers thought that the real income of

drivers had declined for drivers who were leasing. Overall, drivers did think that they could earn a satisfactory living from leasing. Even though outside competition from non-yellow car services and tickets from various regulatory agencies was a problem for them, drivers still thought they could earn a satisfactory living from leasing. Furthermore, drivers reported that they had a tough time making a living, but the overwhelming majority of drivers did not think that taxi meter tampering was a viable means to secure a higher income. Drivers reported that making a satisfactory living was easier under the commission system. However, management representatives reported that drivers were making more money under the lease system. The union reported that different drivers have different abilities to make money, some are satisfied and some are not.

DRIVERS RELATIONS WITH MANAGEMENT

Many veteran drivers reported that when leasing began at fleets in the late 1970s, and early 1980s it was hailed as great, and much more profitable than commission by those few commission men who switched

over to it. After more and more men made the switch, and as time passed, more and more men switched back to commission. One driver, representative of many others, reported:

At first you make lots of money, but after one or two years you see that the bills keep piling up, and if you don't work, you don't eat. If something happens to the cab, the company takes your money. If you can't meet the monthly or weekly lease fee, they sometimes let you work, and you get in deeper and deeper into debt, cause its hard to save money and you still can't pay the company.

By the middle to late 1980s, problems began after taxi companies had coaxed many drivers into leasing. Management told them that they could make more money leasing than they could on commission. However, after they began leasing, and realized leasing did not work out for them, they found that they could not readily return to commission. The company told them that the number of commission positions were limited; therefore, they would have to wait for an opening to occur, or continue to lease if they still desired employment at the company. After a while drivers realized that once they leased there was, in most cases, no returning to commission.

As management saw fit to organize the system of leasing, the lessees felt the pressures of the newly

instituted rules (which seemed to the drivers to be designed for the profit of companies and placed the drivers in a taxed position with no true representation). Even if drivers returned the taxicab with a full tank of gasoline from a gasoline station just around the corner, drivers were forced to top-it-off at the company gas pump. Drivers resented this rule because sometimes (depending on the slope of the floor near the garage gasoline pump) one dollars worth or more of gasoline would go into the tank at the cost of whatever the company charged per gallon, and the gasoline prices were just as expensive as those at the average gasoline station. Over a period of five days, the small amount of gasoline forced into the tank added up, and turned into a principle over which lines were drawn, positions were taken, and battles did begin. Over time, both compulsory expenses and job related stresses mounted; it became much clearer to drivers what leasing was, and what it was about. Drivers found out that leasing was much harder work than commission was; they found out that leasing was about a profit for companies and nothing more. Drivers reportedly felt that companies gave no consideration for them above what was required

by the union, and other labor regulatory bodies.

As the imposed order of companies created the routine of leasing for the drivers, serious problems began to emerge, as did ways emerge to settle disputes over differences of opinion between management and drivers. Time and money were the basis of most of the disagreements between drivers and management. The time and money reasons became issues of granting time credits, credits for breakdowns, and cash refunds to drivers who did not get dispatched.

At Yellow, if drivers were late returning the cab to the garage they had to pay a late fee of twenty dollars per hour from the first hour late onwards (at many other garages this seems to be the universal policy); however, if lessees worked a few hours, then called in due to a cab breakdown, they were not paid for the first hour. Every hour after the first, they got paid five dollars for their lost time (another universal policy).

Veteran drivers reported a controversy arose over two payment related issues of equity between the company and themselves; how much and in what form they were paid for a breakdown for which they were not to blame.

Drivers contended they should not have to pay a twenty dollars per hour late cab return fee from the first hour onwards, and yet got paid a five dollar time credit, from the second hour onwards, for payment, after a company culpable cab breakdown (the time credit is applicable to, or deductible from the lease fee for the next shift; no drivers reported to have received five dollars in cash). Drivers believed that it was unfair for them to pay the company twenty dollars in cash; however, when the company was culpable, drivers received one quarter of what the company received per hour, only after the second hour.

I worked for a short time at a fleet taxicab company named Four Square. At Four Square drivers would grumble about taxicab body damage. Body damage culpability created problems between themselves and management. The company expected them to pay for car repairs, if their involvement in accidents led to taxicab body damage, or if the damage could be blamed on them.

During the early 1980s, Four Square was notorious for some of its practices. Its taxicab body damage inspections would take place at dawn, and at late

afternoon. Taxicabs were simultaneously visually inspected and topped-off, in an assembly line fashion; taxicabs were customarily returned with full tanks, so the inspection happened both superficially and quickly. The inspector would conduct a visual inspection by walking once around the taxicab, so as to not hold up the cabs on the lighted gas line. The rapidity of the inspection inevitably led to differences of opinion between drivers and management.

Day drivers returned the taxicabs when it was very light outside and damage was easily visible. The body damage was blamed on the drivers; however, drivers claimed that the inspector overlooked the damage during the dawn inspection. At dawn inspections of slight dents, deep scratches, and other slight damage would go unnoticed until the daytime inspection. Daylight would reveal differences of opinion between drivers and inspectors. Inspectors often blamed innocent drivers for damage they did not do.

Any drivers who contested paying for damage were given a choice. Submit to a lie detector test, or pay for the body damage. The President of Four Square asked drivers to submit to the company lie detector test to

determine if they caused body damage or not. It was common for many drivers to pay for taxicab body damage they had not done.

He also asked drivers to submit to the lie detector test if they refused to pay for a shift, even if it was due to a clerical error made on behalf of the company. Such an incident once happened to me. I followed the company rule of notifying it two days in advance to cancel a shift that I was assigned. After I called the company, the secretary took the message, but neglected to write it in the log book. The result was that the President of Four Square told me that I had to pay for the shift, or prove my innocence by taking the company lie detector test. I did not take the test, but I did quit, and was given my lease deposit, less the payment for the shift.

At Yellow, drivers who damaged taxicabs were allowed to pay in installments at the time of each shape-up, or their lease fee would be raised by a small amount until the entire amount of money was paid; another alternative was for the company to deduct the charges for the repairs directly from the lease deposits of drivers. Drivers bitterly complained about that

practice; they saw no reason why the company should charge them for body damage whether they had done it or not. They were against the practice for basically two reasons. Firstly, fleets had body shops where taxis were repaired all the time, especially, those that were damaged and had no driver associated with it at the time the damage was noticed. Secondly, drivers were held accountable for damage done to vehicles when there was no proof that they had remotely caused the damage. When the management of the Yellow Cab Company was asked did the company charge drivers for body damage they replied, "no this company has its own body shop and it is fully insured for accidents, and the drivers do not pay for body damage." But, when drivers signed up, they soon found out the contrary.

Drivers who found out that the company deceived them often wanted to quit. But, they could not quit, for they were under contract to work for specific periods of time. Legally, if the drivers broke the contract by quitting, then they would forfeit their two hundred dollar lease deposit, and even worse, a law suit to compel drivers to pay for the number of shifts they had contractually agreed to work.

All in all, the above problems underscored the reasons for both the frequency and intensity of complaints which have escalated under the lease system.

Veteran drivers reported that the problems resulting from the stresses leasing creates between lessee drivers and the management have resulted in property damage at Yellow. Windshields on several taxicabs were smashed by a couple of irate lessees who wanted cash refunds for their lease fees. The company ran out of taxicabs, gave them (a common cash register receipt) a credit slip (which is good for the next day, or some other future shift), and told them to come back tomorrow (Jackson, 1988). On another occasion, some fifty tires were slashed by an angry lessee because the company had refused to give him a two hundred dollar cash refund for his lease deposit after they fired him (Jones, 1988).

Taxicab drivers reported that only when management does not treat them fairly that they make the company pay for what it does. A driver approximately 39 years of age reported:

I have been working on commission for six years then the company wanted more and more money. I tried to give it to them, but they were too greedy for me. They fired me.

They let me lease, but I had to give them a two hundred dollar deposit. When I got tired of that place (the Yellow Cab Company) five years later, I quit. I asked for my lease deposit back; they told me that I had to wait forty-five days. I wasn't going to wait that long because I saw them give other guys their money back the same day. All the boss has to do is to tell the secretary to write the check, or tell the cashier to give me the cash. These guys were tryin' to mess me up. They knew that I came here that day for the money, and I had to go all the way back to New Jersey. That day I was broke, and there was no money in my house; they had my money, but they wanted to play games. I started to use very bad language at those mutherfuckers. I told them I was going to leave right away and get my gun to shoot everybody in the office if they did not give me my money. They gave me my money right away. That day I was really ready for them.

All in all, drivers reported that the lease system has infused the relations between management and the drivers with more problems and bitterness than the commission system had (Jackson; 1988; Jones, 1988).

NONUNION DRIVER COLLECTIVE ORGANIZATION

Drivers reported that they showed more concern about working conditions under the commission system than they do today under the lease system. They got together before, during, or after work in groups of four through seven men on a weekly or monthly basis to

discuss what had to be done in the industry, or at various garages; the drivers said that they had more control over both their work lives, and the union.

Today drivers reported that they did not see any nonunion collective driver organization. The major reason reported was that leasing has caused drivers to be highly self interested, and not concerned that all are affected by the lease system in the same ways.

Although as a group, taxicab drivers saw themselves as too self interested to organize themselves independently of the union, does their self interested approach to the job imply that they will have highly dissimilar attitudes towards taxicab driving? We will see in the following section what their attitudes toward taxi driving are.

Although drivers are highly self interested, they seem to share common ideas about the job. They liked to both serve the public and deal with different types of people. They liked to learn about people from other cultures and lifestyles. They enjoyed the job because it took them to different places during the entire twelve hour tour of duty. They said that they liked the job because it showed them the city, and had no boss. As

such, they liked to set their own schedule, i.e., shift hours, number of hours worked per day, bookings quotas, how hard they worked, number of days worked per week, which days to work, vacation days, location of work, pace of work, dress code (within the very broad dress code guide line of the NYCT&LC), and being a free agent.

Despite the negative feelings drivers had towards certain work conditions they generally liked the job; they felt that taxicab driving was no place for someone who did not like his work. The job was just too stressful for someone with the wrong attitude, someone who did not like serving the public. Drivers agreed that whenever you deal with the public you must know how to handle yourself properly. Often that means giving of yourself to others, being willing to help, and work hard, or there would be no possibility of being able to stay in the business for any length of time.

Generally, drivers with commission experience reported there are more frustrations under leasing than commission. The additional stresses are due to the ever present pressures to make a profit after making money to cover all the lease related fees, to avoid tickets from various enforcement agencies, and avoiding traffic

accidents.

Generally, drivers reported that commission had advantages over leasing. Some of those advantages reported were: the companies paid the drivers for their labor; drivers did not have to pay a late cab return fee; drivers did not have to pay for taxicab body damage; drivers did not have to buy daily lease permits; drivers did not have to pay for fuel; drivers did not have to pay lease fees; the companies automatically deducted various taxes from weekly paychecks; drivers received minimum wage; companies sponsored health care benefits; drivers received bonus pay; drivers worked fewer hours; companies required no security deposits of the drivers given in order to drive its taxis; drivers felt personal security; and, working for companies provided drivers with a greater sense of economic stability.

The majority of the drivers thought that although they could make a satisfactory living leasing, it was quite difficult to do so, due to competition from other forms of car services.

DRIVERS RETENTION IN THE TAXI INDUSTRY

Veteran drivers reported that the expenses of driving under the lease system make it harder for them to earn a satisfactory living than under the commission system. Under the commission system, drivers reportedly were more willing to remain in the business for a longer time. Today drivers seem to stay in the business for these most common reasons: retirement is soon forthcoming, the cash income, the flexibility of work schedules, they are in the process of finding more suitable employment, they are in school or otherwise seeking training in some field, they are artists temporarily not working at their profession, they have apparently no other employment options open to them due to a lack of both educational and experiential backgrounds. During the course of an interview of a group of Haitian men, one of them reported that he was a veteran driver of thirteen years. He gave me an uncommon reason for remaining in the business for as long as he had, and why he had not pursued an electrical engineering career; since he was not an American citizen, financial aid was difficult for him to acquire

and it made it more difficult for him to complete his electrical engineering degree. Although he very much desires American citizenship for all its attendant privileges, he is unwilling to have it for legal reasons that relate to inheritance rights over land in Haiti. If he becomes an American citizen, he will lose substantial land holdings in Haiti (Narcisse, 1988).

On the one hand, the most compelling reason that drivers report for staying in the business is that the money received each shift makes it very difficult for them to quit. On the other hand, they report that the pressures of the business are contributing to more movement in and out of the business than the commission system did. Exact statistics on the rate of turnover relative to the advent of the lease system were unavailable from the N Y C T & L C (no specific reasons were given for their unavailability). Although industry turnover rates are estimated at 200 - 300% per year (Morris, 1985). Union representatives reported that leasing is causing drivers to burnout more quickly; the reasons probably have to do with the effects of the long hours worked, and the perceived inability to meet the lease fee plus make a profit creates too much pressure

for some drivers. It is likely that over the short term, the turnover rate may be higher now than it was under the commission system (at this point in time, a transition period may be taking place. In this period, many of the more experienced drivers are leaving the industry as newer drivers replace them. Until the older drivers have left the industry, the retention rate may be artificially higher or lower than it will be in another ten years or so, when the vast majority of the drivers with commission experience would have retired.). Also during the warmer months, drivers are more willing to find other means of support, then return again in the more profitable colder months.

Management representatives reported that there is the same amount of driver turnover within the industry as always; however, there are more drivers switching between garages than before due to greater independence from the fleet. As independent contractors, drivers are more willing to leave a company, to find the best leasing arrangement in terms of price, work days, shift times, garage environment, and taxicab condition. Under the commission system drivers had a stake in the company. Should they decide to leave one garage for

another, they would lose their two weeks paid vacation, seniority privileges, dispatcher confidence (which means that dispatchers are more willing to let drivers have the newest cars which are usually in the best of condition) (Chyla, 1989). Additionally, drivers had more time to get to know one another as associates. Often while on duty they would stop and talk for a while. However, with the advent of leasing, the time drivers were willing to spend with one another while on duty became less and less as the lease prices rose higher and higher. As Tony, a Black male 42 years of age reported:

Four of us used to meet on the southwest corner facing west on 123rd Street and Morningside Avenue [in Manhattan] every morning at 7:00 A.M. We'd sit there tradin' stories and talkin'. We'd be there for at least an hour. But today under leasin' we ain't got the time to do that no more. If we talk we do it before or after work, unless its just a very slow day...

Many drivers thought that some of the reasons why leasing affected retention rates may be related to the demands it makes upon the time lessees have personally.

Table 3.1 shows how remuneration experience influenced drivers opinions that leasing decreased the amount of time they had for their families.

Table 3.1. Leasing Leaves Me Little Time For My Family by Remuneration Experience.

Leasing Leaves Me Little Family Time	Remuneration Experience	
	Commission	Lease Only
Agree	84%	74%
Disagree	16	26
%	100%	100%
N	(183)	(224)

Eighty-four percent of the drivers having commission experience and 74 percent of the drivers with lease only experience thought that leasing left them little time for their families. The commission drivers felt more strongly than the lease only drivers that leasing took away time that they could be spending with their families. They probably felt more strongly about this issue than their counterparts because under the commission system they were required by the company to work only nine hours a day, more if they wanted to. However, as it turned out, they often worked fewer than the required nine hours.

Table 3.2 shows how the number of years driving a taxicab influenced drivers opinions that leasing decreased the amount of time they had for their families.

Table 3.2. Leasing Leaves Me Little Time For My Family by Years Driving A Taxicab.

Leasing Leaves Me Little Family Time	Years Driving A Taxicab	
	10 or Fewer	11 or More
Agree	76%	80%
Disagree	24	20
%	100%	100%
N	(187)	(183)

Eighty percent of drivers with eleven or more years experience and 76 percent of drivers with ten or fewer years experience thought that leasing left them little time for their families. Substantial majorities of both younger and older drivers held this view, especially the older ones, 87 percent compared to 76 percent.

Table 3.3 shows how the number of years driving a taxicab influenced drivers opinions that leasing decreased the amount of time they had for themselves.

Table 3.3. Leasing Leaves Me Little Time For Myself by Years Driving A Taxicab.

Leasing Leaves Me Little Self Time	Years Driving A Taxicab	
	10 or Fewer	11 or More
Agree	66%	64%
Disagree	34	36
%	100%	100%
N	(187)	(183)

Table 3.3 shows no relationship between years of driving and impact of leasing on self time. Drivers, management representatives, and union officials were asked whether or not they thought that the lease system effected the retention of taxicab drivers in the business. Each group saw the effect in a unique way.

Drivers saw the lease system as having an effect upon how long drivers were willing to remain in the business.

Vignette 5

The Taxi and the Other Woman

Gul D. (an Afghan male) age 42 who has Lease Only

Experience reported: I only started driving a taxicab two years ago, already I want to find another job. I found out that this job is tough. Sometimes I have a bad day; I don't make any money. I lose money. This job makes me so tired I avoid my wife. Sometimes she thinks there is another woman because I want to save my energy and not make love with her. Its also a very dangerous job; if someone doesn't try to rob you, then you have to watch out for "the big accident," the one that will kill you.

I'm going to quit this job and go into the snack truck business. I will sell snacks, breakfast and lunch from the truck, it will be better and safer for me than driving the taxicab.

As Jacques, a Haitian male driver who had lease with commission experience, 40 years of age, and 14 years driving experience reported:

When I drove on commission, I feel like the job means something to me. I make the company money, and they pay me. I give something, they give me something in return. On lease, I pay the company money, they take the money, they give me nothing back. I give my body until it is tired to make their fee and a small profit. I can't drive too much longer. My body is tired of this job. I can't take it any longer...

Taxi company management saw it as causing increasing numbers of drivers to switch companies. A dispatcher reported:

I used to be a commission driver for seven years, but I was forced to lease. Ya know that bookings shit... Low bookings they kept tellin' me, then came the reprimand notices, then they wouldn't let me work. They kept sayin' no cars, out of cars, come back tomorrow. I quit, and tried leasing at other companies. I couldn't make it that way. Then I got this job as a dispatcher, now I'm one of them. So, now I see things as a manager, but I can still see them as a driver. I see drivers staying at companies for shorter periods of time now. Today taxi companies give drivers the cold treatment. It's all about money. It is clear the company does not give a damn about the drivers, so drivers feel no obligation to stay at the company, but everyone suffers in the long run. Drivers are not takin' care of the cars, like they used to, they only think about money and drive the cars harder to make it. When the cars get bad enough, they leave and go to another company that has cars in better shape.

The union viewed it as having a probable short term

effect in the warmer months. Mr. Larry Goldberg reported:

In the summer months driving a taxicab can be very tough on the drivers. Although they have air conditioned cars today, it still does not help the driver to get fares that simply are not out there during the hot months as compared to the cold months. So rather than tough it out, many drivers leave the industry during the summer and return in the winter. New drivers, drivers returning to the industry and drivers moving from company to company continue to drive despite the seasonally related financial hardships.

In conclusion, many drivers saw leasing as a very demanding business which took much of their time away from their families and themselves. Additionally, they saw it as a very time consuming, tiring job, and a physically exacting job. Many drivers reported reduced levels of physical activity due to both the time demands and physical demands leasing exacts upon them. Some drivers reported physical ailments related to both lower back, and leg cramps. As Orlando, an Hispanic male 23 years of age with lease experience only reported:

Before I began lease the taxicab, I used to practice martial arts and exercise four times a week. Now that I been driving the taxicab for one year and going to school, I can't find the time to work-out [exercise] because I am too tired. This job is getting me out of shape and I am beginning to feel it in my legs. My legs are not as strong as they used to be.

Another driver, Fred, a White male 26 years of age with lease experience only reported:

Before I started driving a taxicab two years ago, I used to play basketball everyday. Now the only chance I get to play ball is on my days off when everyone I want to play with is working. So, I don't play nearly as much. I can feel the effects of not playing. My back gives me pains from the driving, and my legs don't feel right. They feel like they need some exercise.

Overall, drivers agreed that the rigorous demands of leasing are having a negative effect upon the retention rate of drivers in the industry.

Management representatives saw leasing as having an effect upon the movement of drivers within the industry. One major reason attributed to driver movement was related to how stressful leasing was. Over the short term, leasing has made it more evident that taxicab driving is a tough job. However, the rigors of taxicab driving in combination with lease expenses makes it appear that many drivers quit only after a few days or weeks in the business. And, this seeming transience creates an acute shortages of drivers (Smitty, 1988).

The union reported that leasing has more of an effect upon the retention rate seasonally. In the warmer months business tends to be slower than in the colder

months. In other words, drivers were more willing to leave the industry when business gets slow and return again when the more lucrative seasons arrive. For example, after Memorial Day business slows down and summer begins. In the summer there are not very many holidays, people who would take cabs short distances walk instead (and drivers depend on the short trips to keep them busy), and the many people who do not work in the summer leave the city, and those who do stay spend much less money using taxis. After Labor Day, business picks up again as people return to work, and several holidays arrive bringing waves of profitable days to lessees.

Drivers reported that due to the rigors of leasing, relations with management have taken a turn for the worse. Drivers reported that more problems have surfaced under the lease system than were present under the commission system. Those problems and the stresses of leasing have led to a negative effect upon the retention rate of drivers in the business. Drivers reported that they intend on staying in the business a short time before moving on to another job because leasing offers only a means to quick short term cash.

If the lease system has negatively impacted the relationship between drivers and management, has it effected the relationship between drivers and the union?

Drivers reported that they had more faith in the taxi drivers union under the commission system than they did under the lease system. A male 42 years of age reported:

The union is nothing but a puppet and silent partner of the management.

Drivers had no good things to report about the union especially under the lease system. As Frank, a White male 40 years of age reported:

Man those people down there mickey mouse; they act like they don't care about the men. They're too slow to act and they act like they don't care about the men.

The vast majority of drivers interviewed resented paying the two dollars for the (union issued) daily lease permit. A frequently cited reason given by drivers for the resentment was that they paid fifteen dollars in union dues each month, and thought that should be enough money for the union. Furthermore, they reported that they could not account for dues in terms of either services or goods. However, commission drivers cited health care benefits, job protection, and a daily

diary of income and expenses booklet given by the union for the dues (under the lease system).

The "old timers" in the business who are near, or were retiring reported that union involvement had reached its apex during the 1960s and 1970s, as they fought against the advent of leasing between fleet garages and drivers; and, throughout the 1980s taxi companies hired foreigners en masse which added to the American taxicab drivers' problems. A male 62 years of age reported:

These people don't know how much money is enough. They come over here and work very hard for very little. These drivers have added to the lack of union involvement on behalf of drivers. Since they are thankful to have a job, and are often not American citizens, they are afraid to speak out for their rights and most of the time they are ignorant of them.

In summation, native American drivers seemed to blame the non-Americans for the lack of an active union membership. Still, others see the union as being powerless and out for itself.

The Union reported that only those who have been on commission since leasing was allowed in 1979 have the privilege of being "grandfathered" or protected from being compelled to lease by fleet garages. However,

well intended the rules of the union are, in some cases people have been compelled to lease. As an Hispanic male 13 year former commissioned driver reported:

I was forced to lease due to circumstances. A guy from out of town ran a red light, so I had no choice but to hit him with the front-end of the cab. The management would not let me work, so I called my union representative, and he could not come down for a couple of days. Meanwhile, I already behind in bills and still I was not working and it was the time of the month when the bills were due again. I trusted the management; they told me that I could return to work in a week. They told me that shit for sixteen days before I was pressured the union to help me. By the time the union finally did help me, it was too late. They told me why didn't I come to see them sooner, and I should not have called. Instead I should've went to the office and filed a grievance.

A Black American male 40 years of age reported on the subject:

Ain't nothin' here happenin' with commission. They made me lease after ten years. They started gettin' on me about low bookin's; and, they told me they couldn't use me anymore, so I had to lease to keep a job.

Although the union has rules which protect taxicab drivers, drivers must know how to use them for protection. It is clear that the union cannot protect taxicab drivers from the abuses of some taxicab companies, and from ignorance on behalf of drivers themselves. Many drivers must learn what the union means

for them, and is supposed to do for them. Unions can not protect drivers from managerial abuse, if the members do not know their rights. Often drivers are forced out of work by management issuing reprimand notices. After drivers have been given three reprimand notices (which inexperienced drivers usually do not take seriously, but the union does) management can fire drivers, and force them to lease as a condition of employment. The union has a policy of intervening whenever drivers are issued reprimand notices in order to see if the reprimand has as its basis a valid claim on behalf of management that drivers have broken important work rules (such as driving dangerously, excessive cab return lateness, low bookings, or culpability of a front-end accident). Reprimand notices for drivers can add to three very quickly. Usually when trusting drivers ask management about the first two reprimand notices, the management tells them not to worry about them. . . that they are merely a formality used for record keeping purposes. Since inexperienced drivers usually believe what management tells them, it is often easy for management to issue three reprimand notices, and fire the drivers before the union has a chance to advocate for drivers

rights to continue working. Fired drivers are not listened to by management. Management only hears the collective voice of the taxicab union, even in situations where drivers employment rights were clearly violated by management. In those situations, drivers must report to the union quickly, and then have the union representatives meet with management. Many drivers have suffered from the dual problems of trusting a misleading management and being ignorant of when to seek union advocacy. Drivers not following procedures has in many cases resulted in the loss of commission for drivers, and company abuse of drivers. Otherwise, drivers will continue to give in to the pressures of taxi companies to act against their own best interests.

CONCLUSION

According to union rules commission drivers cannot be forced to lease. Nonetheless, drivers have been forced to lease by fleet taxicab companies anyway (Jackson, 1988; Jones, 1988). Drivers reported that prior to leasing there was more solidarity among themselves, and the union was a more powerful entity.

Drivers reported that they were less involved with the union today than they were years ago. Lessees indicated that they had little faith in the union. Cabbies reported that apart from the union, years ago, they used to gather to discuss industry and company related problems; today they no longer stick together; drivers say that it seems as though every man is out for himself.

None of the managements reported any forms of driver resistance to leasing, except that if a driver does not like one company he moves to another company.

The union reported that they were unaware of any forms of taxicab driver resistance to leasing. However, in the late 1970s when leasing was first introduced at New York City taxicab company fleets, the union membership did not want it, so the union fought it. However, since it was made legal in 1979, and as many new inexperienced drivers were added to the membership and others retired or left the business, leasing was no longer an issue with the membership.

CHAPTER 4

THE TYPES OF DRIVERS WHO LIKE LEASING: SOCIAL CHARACTERISTICS AND ATTITUDE TOWARD LEASING

A major theme of this dissertation is finding out which drivers approve of leasing, and the factors that influence their opinions of leasing (which will be dealt with in great detail in the next chapter). We now will show how attitude toward leasing is related to certain social characteristics of the drivers such as sex, age, marital status, spousal employment, whether they worked full-time or part-time, whether they had worked at more than one garage, educational level, and whether leasing took away time they had for themselves. The relationship of attitude toward leasing to sex is shown in table 4.1.

Table 4.1. Attitude Toward Leasing by Sex.

Attitude Toward Leasing	Sex	
	Males	Females
For	57%	73%
Against	43	27
%	100%	100%
N	(312)	(40)

Table 4.1 indicates females were much more in support of leasing than males - 73 percent compared with 57 percent, a substantial difference of 16 percentage points. It is likely that, overall, females had both fewer years in the business, and were more likely to be lease only drivers than males which could account for their greater support of leasing.

The next table shows the relationship between attitude towards leasing and age.

Table 4.2. Attitude Toward by Age.

Attitude Toward Leasing	Age	
	39 or Less	40 or More
For	63%	52%
Against	37	48
%	100%	100%
N	(251)	(103)

Table 4.2 indicates that younger drivers were more supportive of leasing than older drivers - 63 percent compared with 52 percent. The older drivers tended to be

evenly divided between their support and opposition of leasing, while a majority of younger drivers supported leasing. The older drivers were much more likely to have commission experience, and we saw earlier that commission drivers were less favorable towards leasing.

Table 4.3 shows the relationship between marital status and drivers attitudes toward leasing.

Table 4.3. Attitude Towards Leasing by Marital Status.

Attitude Toward Leasing	Marital Status	
	Single	Married
For	70%	52%
Against	30	48
%	100%	100%
N	(122)	(225)

From table 4.3 we see that the single drivers are much more in favor of leasing than the married drivers - 70 percent compared to 52 percent of the married drivers, for a substantial difference of 18 percentage points. Single drivers when compared to married drivers probably to be were younger, had fewer years in the business, and had lease only experience which could have accounted for their greater support of leasing than married drivers.

The next table shows the relationship between

spousal employment and drivers attitudes toward leasing.

Table 4.4. Attitude Towards Leasing by Does Your Spouse Work.

Attitude Toward Leasing	<u>Does Your Spouse Work</u>	
	Yes	No
For	49%	61%
Against	<u>51</u>	<u>39</u>
%	100%	100%
N	(116)	(66)

Leasing is supported more frequently by drivers with unemployed (61 percent) compared with those with working spouses (49 percent) who had employed spouses. The drivers who had employed spouses were nearly evenly divided between their support and opposition of leasing, while a substantial majority of the drivers who had unemployed spouses supported leasing.

Table 4.5 considers the relationship between driver attitudes toward leasing and whether they worked full-time or part-time.

Table 4.5. Attitude Toward Leasing by Do You Drive a Taxicab Full-time or Part-time?

Attitude Toward Leasing	<u>Do You Drive a Taxicab</u>	
	Full-time	Part-time
For	53%	67%
Against	<u>47</u>	<u>33</u>
%	100%	100%
N	(238)	(106)

Part-time drivers favored leasing more than full-time drivers - 67 percent compared to 53 percent respectively. The full-timers were nearly evenly divided between their support and opposition of leasing, while the majority of part-timers supported leasing, a difference of 14 percentage points.

Table 4.6 shows the relationship between drivers having work experience at more than one garage and drivers attitudes towards leasing.

Table 4.6. Attitude Toward Leasing by Have You Worked at Another Taxicab Company

Attitude Toward Leasing	<u>Worked at Another Company</u>	
	Yes	No
For	55%	62%
Against	<u>45</u>	<u>38</u>
%	100%	100%
N	(163)	(186)

The drivers who had worked at another garage were less favorable toward leasing than those who had not,

62 percent compared to 55 percent respectively. Drivers who had worked at only one taxicab company were slightly more likely to favor leasing than the drivers who had experience at more than one company.

Table 4.7 shows the relationship between years of formal education and drivers attitudes toward leasing.

Table 4.7. Attitude Toward Leasing by Level of Formal Education.

Attitude Toward Leasing	Educational Level	
	High School or Less	College or More
For	55%	62%
Against	45	38
%	100%	100%
N	(163)	(186)

The better educated drivers - those with some college - were somewhat more in favor of leasing than the more poorly educated drivers, a difference of 7 percentage points. Perhaps the better educated drivers were more likely to be younger, single, and more likely to have less than ten years in the business, reflecting earlier findings. But perhaps the better educated were more likely to successfully cope with the problems of leasing.

Table 4.8 shows the relationship between drivers thinking that leasing left them little time for

themselves and their attitudes toward leasing.

Table 4.8. Attitude Toward Leasing by Leasing Leaves Me Little Time for Myself.

Attitude Toward Leasing	Little Time for Myself	
	Yes	No
For	57%	65%
Against	<u>43</u>	<u>35</u>
%	100%	100%
N	(216)	(118)

The impact of leasing on time for self is another factor influencing attitude toward leasing. Those who felt leasing left them little self time were not as likely to approve of leasing than those who did not have this complaint. A comparison of the two groups of drivers reveals difference of 8 percentage points - 57 percent compared to 65 percent.

CONCLUSION

Tables 4.1 through 4.8 have shown us how drivers opinions of leasing were influenced by certain social characteristics of the drivers. Females were much more in favor of leasing than males. A probable explanation could be that the males were more concerned with the method of remuneration than the females. Furthermore, on

the whole, females as a group were more likely than males to have lease experience only. Lease experience only suggests that females would be more likely than males to support leasing. The younger drivers supported leasing more greatly than the older drivers. The same reasoning that applies to why females were more likely to support leasing than males applies to why younger drivers supported leasing to a greater extent than older drivers. Single drivers favored leasing substantially more than married drivers. Single drivers probably did not have the same concerns for job related benefits that married drivers probably had. Drivers with unemployed spouses liked leasing much more than those with employed spouses (this finding is strange indeed). This finding could suggest that the drivers with unemployed spouses were the younger drivers with lease only experience. The older drivers probably tended to have employed spouses, and had lease with commission experience. Part-time drivers liked leasing a lot more than full-time drivers. Usually part-time taxicab drivers did not use taxicab driving as a primary income source. Hence, they did not feel the rigors of leasing to the same extent as full-time drivers. Drivers who had no experience at another

taxicab company favored leasing slightly more than drivers who had experience at more than one company. A probable explanation could be that drivers who had lease experience at one garage saw it very narrowly, and came to accept conditions of leasing at that one place as representative of leasing elsewhere. Accordingly, the drivers who had broader garage experience could compare systems of leasing between taxicab companies, so they had become more critical of leasing. College educated drivers supported leasing somewhat more than drivers with fewer years of formal education. The college educated drivers were probably the younger drivers with lease experience only, and the older drivers were probably the older commission drivers who, on the whole, opposed leasing. The drivers who thought that leasing did not affect the amount of time they had for themselves were slightly more likely to favor leasing than the drivers who thought otherwise.

CHAPTER 5

WHY DO DRIVERS LIKE LEASING?

In the chapter three we saw that drivers had numerous criticisms of the leasing system. Both drivers who have had commission experience and drivers who have had lease experience only were highly critical of all aspects of the leasing system, including the expensive lease fee, the daily lease permit, paying for gasoline, the late cab return fee, and paying taxes and social security payments themselves.

Given the harsh criticisms of the lease system, it would be surprising that anyone would like this system. But, as we saw in Chapter 3, a majority of the drivers in fact do approve of the lease system. Some 57 percent of all the driver in the sample said they liked the leasing system; 40 percent of the drivers who had commission with lease experience, and 72 percent of the drivers with lease only experience liked leasing (see

table 2.4).

In light of the harsh criticisms of the system, this positive attitude toward it is somewhat of a mystery, and the purpose of this chapter is to see if the mystery can be solved. We shall look for factors that influence drivers attitude toward leasing. Since attitude toward leasing is strongly related to remuneration experience we shall control for remuneration experience in this analysis. We will do so by constructing a typology of drivers based on their remuneration experience and attitude toward leasing. This relationship first shown in Table 2.4 is repeated here in table 5.1.

Table 5.1

Attitude Toward Leasing by Remuneration Experience

Attitude Toward Leasing	Commission Experience	Lease Only
Like	A 40% (66)	B 72% (143)
Dislike	C 60 (100)	D 28 (56)
%	100%	100%
N	(166)	(199)

The typology that will be analyzed in this chapter to uncover the determinants of liking leasing is

identified by the four cells A through D. Type A consists of commission drivers who like leasing, some 66 people. Type B consists of lease only drivers who like leasing, another 143 people; Type C are the commission drivers who dislike leasing, some 100 people; Type D are the lease only drivers who dislike leasing, another 56 people. In the subsequent analysis comparisons are made between Types A and C, commission drivers who like leasing and commission drivers who dislike leasing, and between Types B and D, i.e. lease only drivers who like and dislike leasing. We shall search for variables which differentiate the likers from the dislikers in each type of remuneration experience.

The typology looks like this:	<u>N</u>	<u>%</u>
Type A (Commission Drivers who Like Leasing)	66	18
Type B (Lease Only Drivers who Like Leasing)	143	39
Type C (Commission Drivers who Dislike Leasing)	100	27
Type D (Lease Only Drivers who DisLike Leasing)	56	15
	<u>365</u>	<u>99%</u>

We saw in chapter 3 that 85 percent of commission drivers and 75 percent of lease drivers thought that leasing caused drivers to stay in the business a short time. However, we do not know how this opinion regarding short stays in the business is related to the attitude typology of leasing. Table 5.2 provides the answer.

Table 5.2. Leasing Causes Short Stays in Business by Attitude Typology of Leasing.

Leasing Causes Short Stays in Business	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	78%	88%	74%	78%
No	22	12	26	22
%	100%	100%	100%	100%
N	(64)	(95)	(133)	(54)

The differences in table 5.2 are quite small; those who disliked leasing in each mode of remuneration were slightly more likely than those who liked leasing to have feel that leasing caused short stays, but the great majority of both those who liked and disliked leasing held this opinion. This attitude toward leasing is not really influenced much by opinion on leasings effect on drivers longevity in the taxi business.

Another factor that might influence attitude toward

leasing is whether drivers thought they could earn a satisfactory living from leasing. Table 4.3 shows the relationship between earning a satisfactory living from leasing and the attitude typology of leasing.

Table 5.3. Can You Make a Satisfactory Living from Leasing by Attitude Typology of Leasing.

Satisfactory Living from Leasing	Attitude Typology of Leasing			
	Type A	Type C	Type B	Type D
	For	Against	For	Against
Yes	69%	49%	75%	21%
No	31	51	25	79
%	100%	100%	100%	100%
N	(65)	(97)	(140)	(52)

Table 5.3 shows a very strong relationship between liking leasing and believing that a satisfactory living can be made from leasing. Among commission drivers, the difference is 20 percentage points, and among lease only drivers the difference is 54 percentage points. Clearly, judgement of the financial rewards of leasing is critical to attitude toward leasing.

The next table shows how drivers attitudes toward the size of the lease fee is influenced by their attitudes toward leasing.

Table 5.4. Lease Fee Prices Should be Lower by Attitude Typology of Leasing.

Lease Prices Should be Lower	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	86%	95%	86%	91%
No	14	05	14	09
%	100%	100%	100%	100%
N	(64)	(93)	(133)	(53)

Table 5.4 shows rather small differences in the expected direction between the drivers who like leasing and those who oppose it in each type of remuneration. The overwhelming majority in each group thought lease prices should be lowered, especially those who disliked leasing.

The next table shows how drivers attitudes toward paying for gasoline is related to their support or opposition of leasing.

Table 5.5. I Rather Not Pay For Gasoline by Attitude Typology of Leasing.

I Rather Not Pay For Gasoline	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	62%	87%	61%	76%
No	38	13	39	24
%	100%	100%	100%	100%
N	(65)	(91)	(137)	(53)

Table 5.5 shows that paying for gasoline is an issue that sharply differentiated those who like leasing from those who did not. In each type of remuneration, those who dislike leasing were much more likely to resent having to pay for gasoline, a difference of 25 percentage points among commission drivers, and difference of 15 percentage points among lease experience only drivers. Paying for gasoline is thus one issue that influences attitude toward leasing.

The next table shows how drivers attitudes toward paying the late cab return fee influences attitudes toward leasing.

Table 5.6. I Rather Not Pay A Late Cab Return Fee by Attitude Typology of Leasing.

I Rather Not Pay the Late Fee	Attitude Typology of Leasing			
	Type A	Type C	Type B	Type D
	For	Against	For	Against
Yes	55%	71%	54%	65%
No	45	29	46	35
%	100%	100%	100%	100%
N	(65)	(92)	(138)	(49)

Table 5.6 shows that attitude about the late fee influences attitude toward leasing. Among commission

drivers who like leasing (Type A) 55 percent objected to the late fee compared with 71 percent of the commission drivers who dislike leasing (Type C). These data indicate a difference of 16 percentage points.

The same pattern is found among lease only drivers; 54 percent of Type B drivers, and 65 percent of Type D drivers would rather not pay for the late cab return fee. These data indicate a fair percentage difference of 11 points. The drivers, who did not mind paying the lease fee, were more likely than those who did mind to support leasing.

The next issue to be related to the typology is whether leasing imposed on the amount of time drivers had for themselves.

Table 5.7. Leasing Leaves Me Little Time For My Self by Attitude Typology of Leasing.

Leasing Leaves Me Time for Myself	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	59%	69%	63%	69%
No	41	31	37	31
%	100%	100%	100%	100%
N	(67)	(98)	(144)	(55)

Having little time for self is another issue that

differentiated those who liked leasing from those who disliked it. Those who liked leasing were less likely to have this complaint. Table 5.7 shows that 59 percent of the Type A drivers, 69 percent of the Type C drivers, 63 percent of drivers, and 69 percent of Type D drivers thought that leasing left time little time for themselves.

These data indicate a fair percentage difference of 10 points between the commission drivers who supported leasing and those who opposed it. Drivers who supported leasing were less likely to think that leasing effected the amount of time they had for themselves.

Still to be considered are the social characteristics dealt with in the previous chapter. Table 5.8 shows how sex affects attitude toward leasing among commission drivers and lease only drivers.

Table 5.8. Sex by Attitude Typology of Leasing.

Sex	Attitude Typology of Leasing			
	Type A		Type B	
	For	Against	For	Against
Males	83%	90%	87%	98%
Females	17	10	13	02
%	100%	100%	100%	100%
N	(67)	(98)	(144)	(55)

Table 5.8 shows that those opposed to leasing are

more likely to be men among both commission drivers and lease only drivers. Women are the stronger supporters of leasing, especially among the lease only drivers. Of the Commission drivers who supported leasing (Type A) 83 percent were male, and of those opposed to leasing (Type C) 90 percent were male; the data show a percentage difference of 7 points. Of the lease only drivers who supported leasing (Type B) 87 percent were male, and of those opposed to leasing (Type D) 98 percent were male; the data show a percentage difference of 11 points. Thus the preference for leasing among women holds up for both commission and lease only drivers.

The next table considers how marital status influences attitudes toward leasing.

Table 5.9. Marital Status by Attitude Typology of Leasing.

Marital Status	Attitude Typology of Leasing			
	Type A		Type B	
	For	Against	For	Against
Single	31%	22%	47%	33%
Married	69	78	53	67
%	100%	100%	100%	100%
N	(65)	(92)	(138)	(52)

Table 5.9 shows that among both commission drivers and lease only drivers those who like leasing are more

likely to be single. Being married contributes to a less favorable view of leasing, especially among the lease only drivers. This finding is at odds with the reversal to be found for lease only drivers on the issue of leasing interference with time spent with family shown in table 5.19. Presumably married people should be more concerned about time spent with family than single people. And yet lease only people who liked leasing were more resentful of leasing's impact on how much time it took them to lease, yet we now see they are more likely to be single with relatively fewer familial responsibilities than the married drivers.

Table 5.10 shows how spousal employment influences attitude toward leasing.

Table 5.10. Is Your Spouse Employed by Attitude Typology of Leasing.

Is Your Spouse Employed?	<u>Attitude Typology of Leasing</u>			
	Type A		Type B	
	For	Against	For	Against
Yes	65%	75%	56%	57%
No	35	25	44	43
%	100%	100%	100%	100%
N	(67)	(98)	(144)	(55)

Table 5.10 indicates that spousal employment is

only related to commission drivers attitudes toward leasing. Among commission drivers, spousal employment is negatively related to drivers attitudes toward leasing. Commission drivers who like leasing are more likely to have unemployed spouses than those who dislike leasing. But this pattern does not appear among the lease only drivers. Having an employed spouse makes no difference in their attitudes toward leasing.

The next table shows how working full-time or part-time influences attitude toward leasing.

Table 5.11. Do You Work Full-time or Part-time by Attitude Typology of Leasing.

Do Work Full-time or Part-time	Attitude Typology of Leasing			
	Type A	Type C	Type B	Type D
	For	Against	For	Against
Full-time	64%	78%	64%	73%
Part-time	36	22	36	27
%	100%	100%	100%	100%
N	(63)	(94)	(135)	(52)

Those opposed to leasing in both groups are more likely to be full-time lessees. Table 5.11 indicates that full-time drivers are more likely to be in the Types that dislike leasing (Types C and D), than the Types that like leasing (Types A and B). 78 percent

compared with 64 percent, 73 percent compared with 64 percent. These data suggest that the drivers most dependent on leasing-- those who work full-time-- are less likely to like leasing. A likely reason why they feel that way could be that they see much more of what is wrong with leasing (that they feel they can not change) than the part-timers see.

Table 5.12 shows the relationship between drivers having children and attitudes toward leasing.

Table 5.12. Do You Have Children by Attitude Typology of Leasing.

Do You Have Children	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	61%	61%	53%	71%
No	39	39	47	29
%	100%	100%	100%	100%
N	(61)	(92)	(133)	(49)

Table 5.12 shows that having children makes a difference among lease only drivers but not among commission drivers. Lease only drivers with children were more likely to oppose leasing than those childless drivers. A reason could be that among commission drivers, on the whole, their children were probably much

older than the lease only drivers' children, for lease only drivers are usually younger. Therefore, older childrens needs are much different in terms of parental involvement. Older children, or young adults are usually partially or totally self supporting. Whereas, younger children depend more greatly than older children on their parents, for not only parental job derived health care benefits, but financially too. And, since there are no job related health care benefits from leasing, drivers with young children could be resentful towards leasing.

In chapter 4 (table 4.7) we saw that the better educated drivers were somewhat more likely to like leasing than the less well educated drivers. Will this hold true for each Type of driver?

Table 5.13 provides the answer. It shows how years of formal education influences drivers attitude toward leasing.

Table 5.13. Years of Formal Education by Attitude Typology of Leasing.

Years of Formal Education	Attitude Typology of Leasing			
	Type A	Type C	Type B	Type D
	For	Against	For	Against
12 or Fewer	62%	64%	36%	27%
13 or More	38	36	64	73
%	100%	100%	100%	100%
N	(65)	(92)	(140)	(52)

Table 5.13 shows no relationship between education and attitude toward leasing among commission drivers. But, among lease only drivers, those who oppose leasing are better educated than those who like leasing.

Table 5.13 indicates that 62 percent of Type A drivers had a high school education or less. 64 percent of Type C drivers had a high school education or less.

Table 5.13 indicates that 36 percent of Type B drivers had a high school education or less. 27 percent of Type D drivers had a high school education or less. These data show a percentage difference of 9 points between those who support and oppose leasing.

We now learn that a possible explanation for the apparent reversal is that commission drivers who are older, are not nearly as likely to be well educated as

lease drivers. Commission drivers are much more opposed to leasing than lease only drivers. This "seemingly" positive relationship in two variable table 4.7 is a consequence of the low education of commission drivers. and when remunerative type is held constant, we find that the true relationship between education and attitude toward leasing is negative.

Table 5.14 not only presents how driver experience at another garage related to attitude toward leasing, but begins the presentation of reversals of findings between the two groups of drivers.

Table 5.14. Have You Ever Worked at Another Garage by Attitude Typology of Leasing.

Have You Worked at Another Garage	Attitude Typology of Leasing			
	Type A	Type C	Type B	Type D
	For	Against	For	Against
Yes	83%	78%	53%	64%
No	17	22	47	36
%	100%	100%	100%	100%
N	(64)	(95)	(130)	(52)

Table 5.14 indicates commission drivers who like leasing were more likely to have worked at another fleet garage; however, the reverse is true of lease only drivers. 83 percent of the Type A drivers, and 78

percent of Type C drivers had worked at another garage before. These data show a small percentage difference of 5 points between the two types suggesting that the drivers who had other garage experience were more favorable toward leasing. But among lease only drivers those who oppose leasing were more likely to have worked at another garage 64 percent compared to 53 percent of those who like leasing. A possible explanation could be that as lease only drivers gained experience in the business, they came to realize that their financial situation gets worse (in most cases) and is no better at different garages over the long-term which influenced them to dislike leasing.

The next table shows how drivers attitude toward paying the lease fee influences attitude toward leasing.

Table 5.15. I Rather Not Pay The Daily Lease Fee by Attitude Typology of Leasing.

I Rather Not Pay Lease Fee	Attitude Typology of Leasing			
	Type A		Type B	
	For	Against	For	Against
Yes	68%	86%	71%	66%
No	32	14	29	34
%	100%	100%	100%	100%
N	(65)	(91)	(133)	(50)

Table 5.15 shows that 68 percent of Type A drivers, and 86 percent of Type C drivers would rather not pay the lease fee. These data indicate a large percentage difference of 18 points between the commission drivers who support leasing and those who oppose it. But, among lease only drivers the finding is quite different. Opposition to the lease fee does not translate into opposition to leasing. On the contrary, those lease only drivers who like leasing are slightly more opposed to the lease fee (71%) than the lease only drivers who dislike leasing (66%). This finding is quite an anomaly.

The next table shows how drivers attitudes toward paying for the lease permit is influenced by their attitudes toward leasing.

Table 5.16. I Rather Not Pay For A Daily Lease Permit by Attitude Typology of Leasing.

I Rather Not Pay For A Lease Permit	<u>Attitude Typology of Leasing</u>			
	Type A		Type C	
	For	Against	For	Against
Yes	77%	81%	79%	71%
No	23	19	21	29
%	100%	100%	100%	100%
N	(64)	(91)	(140)	(52)

Table 5.16 shows that 77 percent of Type A drivers, and 81 percent of Type C drivers would rather not pay for the lease permit. These data indicate an insignificantly small percentage difference of 4 points between the drivers who support leasing and those who oppose it. Commission experience drivers who support leasing were nearly as likely to reject the purchase of lease permits as those drivers who oppose leasing. But, among lease only drivers the finding is quite different. Opposition to the lease permit does not translate into opposition to leasing. On the contrary, those lease only drivers who like leasing are slightly more opposed to the lease permit (79%) than the lease only drivers who dislike leasing (71%). Apparently, the purchase of lease permits is unrelated to their opposition to leasing, probably because it represents a minor expense as compared to other daily expenses drivers have to endure.

The next issue to be related to the typology is whether leasing imposed on family time.

Table 5.17. Leasing Leaves Me Little Time For My Family by Attitude Typology of Leasing.

Leasing Leaves Me Little Family Time	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	75%	88%	78%	62%
No	25	12	22	38
%	100%	100%	100%	100%
N	(67)	(98)	(144)	(55)

Table 5.17 shows yet another unexpected finding for the lease only drivers. Those who like leasing were more likely to think that leasing imposed on family time. Fully 78 percent of Type B drivers, and 62 percent of Type D drivers thought that leasing left time little time for their families. These data indicate a large percentage difference of 16 points in an unexpected direction. Drivers who oppose leasing were less likely than those who support leasing to think that leasing negatively effected the amount of time they had for their families.

Among commission drivers, 75 percent of the Type A, and 88 percent of the Type C drivers thought that leasing left them little time for their families. These data indicate a fair percentage difference of 13 points between the commission drivers who support

leasing and those who oppose it. Commission drivers who support leasing were less likely than those who oppose leasing to think that leasing effected the amount of time they had for their families.

The next table shows how drivers attitudes toward paying taxes influences their attitudes toward leasing.

Table 5.18. I Rather Not Pay My Taxes Myself by Attitude Typology of Leasing.

I Rather Not Pay Taxes Myself	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	74%	86%	73%	74%
No	26	14	27	26
%	100%	100%	100%	100%
N	(65)	(92)	(140)	(53)

Table 5.18 shows that 74 percent of the Type A drivers, and 86 percent of Type C drivers would rather not pay their taxes themselves. They had reservations that the company did not do it for them. As Charlie, a former commission driver reported:

Our taxes [the taxes of the commission drivers] used to be taken out of our pay-check each payday. Now we got to do it ourselves. That's just more work for the drivers. I think it would be better if things were like they used to be.

These data indicate a fair percentage difference of 12 points between commission drivers who support leasing and those who oppose it. One Type A driver expressed why he preferred to pay his own taxes. A White male, 47 years of age named Sid, he reported:

I never liked commission. It's no good for the drivers. In this business you gotta get out there and make it happen, or you don't survive in it. Commission sets drivers up to fail. It makes them soft by giving everything to them. Taxes I can pay myself.

Among lease only drivers, there is no difference between those who oppose leasing and those who support it in terms of paying taxes. Table 5.18 shows that 73 percent of Type B drivers, and 74 percent of Type D drivers would rather not pay their taxes themselves.

The data seem to indicate that one factor affecting whether commission drivers would support leasing was how they felt about paying their taxes. Accordingly, for the drivers who have commission experience, their positions relate to the old tax payment arrangement under the commission remuneration system, or the traditional responsibility of a fleet garage employer, as Charlie stated earlier in this study.

Table 5.19 takes up another matter that was the responsibility of the fleet owners under the commission system - paying for social security. It shows how drivers attitude toward payment of social security influences their attitudes toward leasing.

Table 5.19. I Rather Not Pay My Social Security Myself by Attitude Typology of Leasing.

I Rather Not Pay Soc. Sec. Myself	Attitude Typology of Leasing			
	Type A		Type C	
	For	Against	For	Against
Yes	74%	86%	77%	60%
No	26	14	23	40
%	100%	100%	100%	100%
N	(65)	(91)	(137)	(53)

Table 5.19 shows another strange reversal among the lease only drivers. Whereas, the pattern is in the expected direction for the commission experience drivers. Namely, those who dislike leasing were much more likely to reject paying their own social security (86 percent compared to 74 percent). A Type A driver, Sid, he reported: I do not mind paying my own social security. As Maurice, a Type C driver, reported on making social security payments:

When the company used to make the payments for the men, they used to have to make a contribution

towards how much went in. Some the men paid for and some they paid for. Now they pay for nothing, and the men get stuck with the bill.

The pattern is reversed among the lease only drivers. Those who liked leasing were more likely to oppose paying their own social security than those who disliked leasing (77 percent compared to 60 percent) These data suggest that the payment of their own social security taxes for lease only drivers had a relationship to attitude toward leasing. Why lease only drivers who like leasing are more opposed to paying their own social security than lease only drivers who dislike leasing is a big mystery.

Overall, these data indicate among the drivers who would rather not pay their social security themselves, Type C drivers felt most strongly about not paying it, whereas their counterparts among the lease only drivers (Type D) were least resistant to paying social security.

As in the case of tax payments, these data seem to indicate that a major factor affecting whether commission drivers would support leasing was how they felt about making social security payments themselves.

SUMMARY

This chapter has focused on the anomaly that a majority of drivers 58 percent-- like leasing even though almost all drivers were highly critical of the system. We have tried to find the reasons for this attitude by comparing a number of factors that might have influenced drivers opinions. This effort has had decidedly mixed results. Some variables we have looked at had only minor impacts, i.e., leasing causes drivers to stay in the business a short time, and lease prices should be lower. Other variables produced anomalous findings. Those findings showed one relationship for drivers with commission experience, and a contrary relationship for drivers with lease only experience, e.g., leasing leaves me little family time, rather not buy daily lease permits, rather not pay the lease fee, and have experience working at another garage. Yet other variables showed some relationship to commission experience when no relationship was shown to lease experience, e.g., rather not pay taxes myself, and spousal employment. Two other variables showed no relationship to commission experience; however, they

showed some relationship to lease only experience, e.g., years of formal education, and do you have children. The rest of the variables showed strong relationships to both forms of remuneration experience, e.g., rather not pay the late cab return fee, rather not pay for gasoline, leasing leaves me little time for myself, working full-time or part-time, sex, marital status, and most importantly, earning a satisfactory living from leasing.

Drivers' opinions that leasing caused them to stay in the business a short time was marginally related to their attitudes toward leasing. Type A drivers (who like leasing) were more likely than Type C drivers (who dislike leasing) to think that leasing had no such effect upon driver retention in the business. Type B drivers (who like leasing) were less likely than Type D drivers (who dislike leasing) to think that leasing had a negative effect upon how long a driver remained in the business.

Drivers opinion of whether the lease price should be lower had only a marginal impact upon their attitudes toward leasing. Type A drivers were slightly less likely than Type C drivers to think that lease prices should

be lower. Type B drivers were slightly less likely than Type D drivers to think that lease prices should be lower.

Type A drivers were substantially less likely than Type C drivers to feel that leasing left them little time for their families. To the contrary, Type B drivers were substantially more likely than Type D drivers to feel that leasing negatively effected the amount of time that they had for their families.

Type A drivers (who like leasing) were almost as likely as Type C drivers (who dislike leasing) to object to paying for the lease permit. However, Type B drivers (who like leasing) were more likely to object to paying for the lease permit than Type D drivers (who dislike leasing). In this case, the opponents of leasing were more inclined to buy daily lease permits than the supporters of leasing.

Type A drivers were much more likely than Type C drivers to support paying the lease fee. But, Type B drivers were slightly more likely to object to paying the lease fee than Type D drivers. In this case, the supporters of leasing were more inclined to object to paying the lease fee than the opponents of leasing.

Type A drivers were slightly more likely than Type C drivers to have had experience at another garage. However, the reverse is true for lease only drivers. Type B drivers were fairly less likely than Type D drivers to who had worked at another garage before.

Driver opinions of paying their own taxes had a strong influence upon commission attitudes toward leasing. Type A drivers (who like leasing) were much more likely than Type C drivers (who dislike leasing) to not mind paying their own taxes. For both driver Types B and D, there was no relationship between their tax payment opinions and their attitudes toward leasing.

Type A drivers were more likely than Type C drivers to have unemployed spouses. Spousal employment was unrelated to lease only drivers attitudes toward leasing.

There was no relationship between the number of years of formal education and driver Types A and C attitudes toward leasing. However, for drivers Types B and D, educational level had a moderate influence upon their attitudes toward leasing. Drivers with 13 or more years of formal education were less likely to like leasing than less well educated drivers.

For commission drivers whether they had children did not influence their opinions toward leasing. But having children influenced lease only drivers attitudes toward leasing. Drivers with children were much more likely to oppose leasing (Type D) than those who were childless (Type B).

Drivers Types A and C opinions on paying of the late cab return fee strongly influenced their attitudes toward leasing. Type A drivers were much more likely than Type C drivers to not mind paying the late fee. Amongst lease only drivers, a smaller difference showed. Type B drivers were slightly less likely than Type D drivers to object to paying the late fee.

Driver attitudes towards paying for gasoline was more strongly related to Types A and C than to Types B and D. However, in each type of remuneration, those who dislike leasing were much more likely than those who like leasing to resent having to pay for gasoline.

In each mode of remuneration, driver opinions that leasing left them little time for themselves influenced their attitudes toward leasing. Drivers who thought that it did leave them little time for themselves were more likely to oppose leasing than drivers who thought

otherwise.

In both Types of drivers (commission and lease only), those who like leasing were much more likely to be part-time drivers. In short, those most committed to leasing were less likely to like it.

Sex strongly influenced driver attitudes toward leasing. Those oppose to leasing were much more likely to be men among both commission drivers and lease only drivers. Women were the stronger supporters of leasing, especially among the lease only drivers.

Marital status strongly influenced driver attitudes toward leasing. Among commission drivers, single drivers were more likely to support leasing than married drivers. Among lease only drivers, married drivers were more likely to oppose leasing than single drivers.

The most critical finding related optimism about making a satisfactory living from leasing to attitude toward leasing. Among commission drivers, those who like leasing weremuch more likely to think they would make a satisfactory living from leasing. And, among lease only drivers, the relationship was even stronger. There was an extremely strong relationship between

drivers liking leasing and whether they thought that they could earn a satisfactory living from leasing.

This review of the findings shows that we have not fully answered the question that this chapter has dealt with - why a majority of the drivers like leasing even though they are highly critical of it. The only sure finding is that they tend to like leasing because they feel they can make a satisfactory living from it.

CHAPTER 6

A REVIEW OF THE STUDY

This study has dealt with a significant transition within the economy of the United States. American companies have begun the process of retooling how they utilize labor power to produce both goods and services. Companies in industries from agriculture to medicine have started to utilize labor power without hiring any employees (Wells, 1984). Companies appropriate labor power by using independent contractors instead of employees. The net result of this operation is that American industries are undergoing a transition from the utilization of employees to that of independent workers.

This study was based on taxicab drivers from fleet garages throughout New York City. Nonprobability samples were drawn from taxicab drivers who were on-duty, socializing at the garage before getting dispatched, and

at their shifts end, before they went home. In other words, I was able to access drivers, and come into contact with a great variety of drivers. Only active fleet taxicab drivers participated in this study.

This study has taught me two fundamental things about conducting social research. First, respondents preferred to participate in the study during the weekends, or anywhere that was away from the garage. I did not initially notice the difference between their willingness to participate in the study at the garages and away from the garages. This behavioral finding took several weeks to emerge, only after doing scores of interviews. I noticed that respondents behaved very guardedly during the week at the garages. Most seemed interested, but very cautious. (They kept looking over their shoulders, as if they were looking for a manager to ask what was going on, or what were they were filling out. They did not want management (owners and floor managers) to see them disclosing information which could be an embarrassment to a sensitive management, and could likely cause negative repercussions for the drivers. However, when I returned to the garages on weekends, the drivers seemed more relaxed. They only had to watch that

they were out of the view of dispatchers who were basically indifferent to the activities of drivers.

Second, respondents were skeptical about the researcher asking questions about their livelihood. Taxicab driver respondents were suspicious that I was an undercover agent for the NYCT&LC sent to ferret out the drivers with negative attitudes toward the business. However, drivers suspicions were overcome by talking to interested drivers over an extended period of time. During the course of the conversation I would show my expired Hack license. The license number showed them that I was a veteran driver who witnessed what the remuneration system transition meant for fleet drivers, and their working conditions. Furthermore, the license suggested to them that I was well aware of the stressful working conditions lessees endure. Having such an experiential stake in the business gave me the legitimacy and creditability of a social researcher who wanted to tell the taxicab driving story of the transition from the commission system to the lease system in New York City.

The sample of drivers in this study was divided into two subsamples related to remuneration

experience. The first subsample was lease with commission experience having 184 respondents, and the second subsample was lease experience only having 224 respondents. Of the drivers with commission experience, six out of ten disliked the lease system. Fully 90 percent of drivers with commission experience thought leasing caused more problems with management than commission work did, and was equally true of old timers. Ninety percent of those drivers with 11 or more years experience had this view compared with 80 percent of newer drivers. Nine out of ten commission drivers who thought that commission was more profitable than leasing for the drivers also thought that leasing caused more problems between themselves and management than commission work did. Commission drivers also thought that commission was more profitable for them than leasing. One reason why they thought so was related to how they viewed profitability. They saw the profitability of the commission system in long terms of a weekly paycheck, amongst other employee benefits. Of the second group of drivers, those with lease only experience, nearly three-fourths of them favored lease work. They did so, for example, because of the daily

cash income, or for short term reasons.

Paying for gasoline was an issue that sharply differentiated those who liked leasing from those who disliked leasing. Within each type of remuneration, those who disliked leasing were much more likely to resent having to pay for gasoline. Six out of ten Type A drivers (commission experience lease supporters) compared with nine out of ten Type C drivers (commission experience lease opposers) complained about having to pay for gasoline. Six out of ten Type B drivers (lease only experience lease supporters) compared with eight out of ten Type D drivers (lease only experience lease opposers) minded paying for gasoline. The vast majority of drivers would rather not pay for gasoline, and those who had commission experience were most opposed to paying for it.

Most drivers thought that they could earn a satisfactory living from leasing. There was a very strong relationship between liking leasing and their belief that a satisfactory living could be made from it. It was this belief more than anything else that explained why a majority of drivers liked leasing in spite of their numerous complaints about it. Seven out

of ten Type A drivers compared with five out of ten Type C drivers thought that they could earn a satisfactory living from leasing. Eight out of ten Type B drivers compared with only two out of ten Type D drivers thought that they could earn a satisfactory living from leasing.

Certain social characteristics were found to have had great influence upon drivers attitudes toward leasing. These were sex, and full-time or part-time taxicab driving. Within both modes of remuneration experience, females were much more in favor of leasing than males, especially among the lease only drivers. Males represented eight out of ten Type A drivers compared with nine out of ten Type C drivers. Also males represented nine out of ten Type B drivers compared with nearly ten out of ten Type D drivers. Amongst all drivers, part-time drivers liked leasing more than full-time drivers. Part-time drivers represented four out of ten Type A drivers compared with two out of ten Type C drivers, and they represented four out of ten Type B drivers compared with three out of ten Type D drivers. Thus, for both commission and lease only drivers part-timers were the most avid supporters of

leasing.

Although commission drivers can not be forced to lease, according to union rules, drivers have reported that they have been forced to lease by fleet taxicab companies anyway (Lewis, 1988; Narcisse, 1988). Drivers reported that leasing has served to further atomize themselves, and the union seems to have lost much of its power. Drivers reported that there was little union involvement as compared with years ago. Lessees indicated that they had little faith in the union. Cabbies reported that apart from the union, they usually did not organize amongst themselves.

Management did not report any forms of driver resistance to leasing, except that if a driver does not like one company he moves to another one.

The union reported no taxicab driver resistance to leasing. However, in the late 1970s when leasing was first introduced at New York City taxicab company fleets, the union membership did not want it, so the union fought against it. However, since leasing was made legal in 1979, as new (inexperienced) drivers were added to the membership while older (experienced) drivers retired or left the business, leasing waned as an issue

with the membership, and consequently the union.

Implications of this Study for the Expanded Use of Independent Contractors

Although this study is about a transition which occurred within the taxicab industry, there are other industries that will switch to the use of independent contractors, such as: Emergency Ambulatory Services, Air Transport, and Amusement Park Transport. In each instance, the party responsible for providing the means of transport could avoid the day to day responsibilities of directly dealing with the administration of personnel. In the case of Emergency Medical Services, private companies could compete for geographic segments of a municipality. In that way, localities would benefit from shorter ambulance arrival times. Airline companies could avoid the costs of, for example, cockpit crew walkouts. If cockpit crews and airline companies cannot agree, they are both free to work with other independent contractors. Amusement park owners could avoid economic risks related to the uncertainty of daily revenue variability by leasing park rides to independent

contractors for flat rates. Flat rates would generate stable seasonal revenues, and by doing so, externalize the risk of revenue uncertainty from company unto independent contractor. However, the independent contractor should be able to function with less operational costs; therefore, the lessee would be able to adjust fees according to changes in the demand for services.

In industries which would be affected by sweeping personnel changes at companies, would there be resistance to the "independentization" of personnel by unions? Labor unions cannot determine the organization of employee labor at companies, so service providers actually deliver services as they see fit; therefore, if unions protest the change to lessees, they cannot prevent it from occurring. I anticipate four scenarios. In the first, there may be much union resistance to the change, until new waves of union members replace the senior membership. The new membership might be more willing accept new work arrangements between management and workers. In the second scenario, unions may stand to lose their *raison d' etre* in the eyes of their membership, i.e., until the senior union membership is

replenished by junior workers. The junior workers will function under the new work arrangement by existing in a state of resigned concurrence, offering no resistance to their current labor - company relations. Union viability for the new membership will be severely strained. One primary reason would be that the union will be perceived by workers as just another expense of doing business with companies that have union shops. Workers would not need the union to exact company benefits, negotiate wage packages, advocate for both good and safe working conditions, oversee pension funds, provide legal representation, and so forth. Worker benefits would be controlled by the relationship between each individual contractor (i.e., the company that sends out workers to perform tasks for another company), or lessee who performs given tasks. Additionally, in some cases, workers will have to pay companies to allow them to function within a service niche for compensation, or be subject to working for a middle man employer who provides even fewer worker benefits than workers would have gotten had they been employees of a company directly providing the service. In the third scenario, contingent upon the existence of union shops, unions

would become the sole labor service deliverers to union shops through contractual agreement. In other words, if union shops closed, then unions will have to find new clientele bases, or become extinct. In the fourth scenario, unions would duplicate the services of recruitment firms, in addition to delivering labor through labor ratified, contractualized labor-management agreements.

Without union representation, workers would stand to lose the benefits they have collectively gained from years working for owners. Teleologically, worker gains would precipitously erode as companies incrementally accrue the long term advantages of paying, or receiving a one-time flat rate for labor delivery provided by lessees. Workers who elect the option of working as independent contractors usually thought that they could profit more than by being employees. Unfortunately, those thoughts of coming out ahead are realized by only a slim minority of drivers who lease. That minority usually leaves the taxicab fleet, pays special attention to money management, learns how to prepare their own taxes, and ends up buying their own taxicabs and either leasing or buying a medallion. Workers who are

independent contractors, but prefer to be employees think that they would be better off as employees due to the greater stability of working for the company, and the near absence of economic risk associated with being solely dependent on the vicissitudes of the daily business cycle.

All in all, the "independentization" of service delivery in America could be both beneficial and disastrous for workers. Unions will survive as long as there are masses of workers in need of organized, contractually agreed upon working conditions. Unions may possibly benefit more greatly by serving as both professional representatives for labor, and by delivering labor to companies. It is clear that as a rule, companies usually are, and will be the clear beneficiaries in such an arrangement, in some cases, unions, and in exceptional cases, lessees.

NEW DIRECTIONS FOR FURTHER RESEARCH

Further research should be directed at finding out whether an alternate means of delivering taxi service could be established. The primary means through which

taxicab drivers get passengers in New York City is through a street hail, or by waiting on a taxi stand. Acquiring fares in that manner is very time consuming and often costly to taxicab drivers, and its an impediment to customer preferences for taxicab service as opposed to other prearranged car services. Sometimes customers prefer to ride in basic taxicabs rather than the more expensive radio car services such as: Black Cars, Limousines, Livery Cars, and so forth. New research¹ should be directed at finding both more effective and efficient ways to increase the availability of taxicabs to the public, and means to make taxicab driving less expensive for drivers. An increase in the availability taxicabs probably would result in better taxi service due to increased competition amongst drivers for a limited number of fares. However, if expenses continue to be a major problem for taxicab drivers, service quality is not likely to improve because drivers would continue to be subjected to the identical working conditions which tend to create shortages of drivers, especially in the warmer months of the year.

A taxicab ridership study is needed. This research

could be conducted to find out more about how the taxicab ridership market is segmented. Market segmentation data could be use to develop profiles of prospective clientele, and what their needs are in order to better service the New York City markets. These profiles would contain data on the types of clientele, where they come from, where they go, and the peak times these clientele use taxicabs, (or other transportation services) by borough location. These data would enable taxicab drivers to better serve the public by knowing what their needs for service are.

The intent of this research would be to find a means to increase the ridership of taxicabs (or other transportation services which will also help to relieve traffic congestion) in New York City. It would benefit the entire paratransportation industry. Taxicab users, drivers, owners, and the N Y C T & L C. The ridership would find that there are more taxicabs available to them due to drivers knowing where and when they are out there in need of service. Taxicab drivers would no longer have to rely on rule of thumb methods for profitability; they would benefit from factual information which would be enable them to make better

decisions regarding routing and timing. Owners would benefit from the increased demand for lease contracts between themselves and lessees. In turn, the increased demand for hack licenses would raise revenues for the N Y C T & L C which would allow it to become more capable to regulate the industry through increased manpower and technology.

Other research should be directed at the livery car service because at this time very little is known about who are its owners, drivers, and regular ridership. The findings could be used to learn how this sector of car service could be more effectively organized for serving both individuals, groups, and organizations.

APPENDIX I

GLOSSARY OF TAXICAB DRIVER VERNACULAR

The taxicab driver's vocabulary is replete with terms indicative of the fast pace and continuous action of taxi driving.

A Rip, a fare of a significant amount.

Be cool, to be calm and not get excited.

Burn rubber, to move very quickly.

Chill out, to take it easy, to relax, etc.

Dippin', to move in, out, and through traffic.

Empty, to have no passenger(s) in the cab; to be light.

Five by five, everything is fine, copesetic, or O.K.

Fleet, a relatively large privately owned taxi company which owns and operates twenty five or more medallions, operates its own garage for its vehicles where it employs personnel to perform

mechanical and cosmetic repairs to its cabs,
operates twenty four hours per day, dispatches/
operates two or more shifts per twenty four hour
period, operates a tow truck, operates its own
fueling station, and allows only taxi union
member taxicab drivers who have fulfilled all of
the N Y C T & L C requirements to drive its
taxicabs. Note: these criteria for the
definition of fleet taxicab company are subject
to change.

Going in, to bring the cab back to the garage, or to
stop working.

Going out, to take the cab out of the garage, or to
begin working.

Heavy, to have a passenger in the cab.

Jerked, to snub, to slight, to treat unfairly, etc.

Lessee, a taxicab driver who pays a fee for the use of a
taxicab for a given period of time, usually the
arrangement is specified under contract.

Slow down, you are driving too fast, an accident awaits
you, be more careful.

Squared away, to be well taken care of in a desirable
way.

Ten-Thirteen, canceled activity.

Topped-off, to fill the gas tank to capacity, or fill it to its until gasoline cascades over its brim.

Trip Record, also known as a trip card or trip sheet; the N Y C T & L C requires that taxicab drivers write the point of departure, time of departure, destination, number of passengers, amount of fare charged, and other required information.

Lickin', someone who gets cheated, duped, or suckered.

Light, to have no one in the cab; to be empty.

Lollipop, a sucker, someone who is easily duped, someone whom takes a lickin', i.e., one whom is an easy mark for getting cheated or used against his or her own best interests by someone else.

APPENDIX II

THE CONDUCT OF INTERVIEWS

Interviews were conducted in two fleet garages in Long Island City, Queens, during the initial stages of the research. They were done prior to and during night shift shapeup hours, which meant that day shift drivers recently ended their shifts and were around in abundant numbers (with stories to tell, and bull to shoot. Even if it meant that the bull shot was aimed at the social researcher. Taxi drivers are seemingly curious people. As such they really were curious about the research. Most drivers I approached agreed to talk to me; at the time around the garage, especially in the warm to hot months, is the time when taxi driving becomes a spectator and participant occupation. In terms of fast action and people coming on to taxi drivers from many different angles, some legitimate and some illegitimate,

and the cabby may participate, if only for the gamesmanship, to take the trip and learn from the experience, or in some way to profit from it. Not only is it bustling inside of and outside of the garage, but all sorts of things are happening along the perimeter of its building and in the streets surrounding the building. Peddlers sell shirts, neckties, pots and pans, money changers, franks and hamburgers and sodas, car radios and other automobile accessories. In addition to hardware items being sold by some, others sell software. Prostitutes abound in these natural areas for such activities).

During the latter phases of the research, an incident occurred in which I was asked to never again return to the premises of one a garage to do interviews nor do surveys. One day, and three weeks after I had started doing interviews and surveys at a research site, a taxi driver from there asked me to sample the respondents who were sitting in the waiting area. In this area, taxi drivers are watched by two cashiers, and two dispatchers who sit in a booth which is elevated a couple of feet above average height level; those in the booth look upon the actives the drivers engage in while

waiting to get a cab. Had I gone into to the area without first trying to gain clearance from the dispatcher (who then got one of the managers of the garage involved), I could have been forcibly thrown off the premises; however, since I employed diplomacy by first asking the management could I conduct research on their premises, they were equally diplomatic by having told me thanks for letting them know I was there and what I wanted prior to talking to the drivers, but I had to leave anyway, and my return to their premises would constitute trespassing.

After that incident, surveys were conducted else where. In other words, I conducted interviews on neutral ground, in places where no one was offended by my presence, nor really cared what I was doing, so long as it did not interfere with what they had to do.

Not all taxicab drivers were eager to talk to me; there was a great deal of fear and distrust among some drivers. Many thought that I was an undercover agent for the New York City Taxi and Limousine Commission, or a spy for the management. When this problem did arise, I would say something to the person such as, "are you crazy, I got better things to do than spy. You must be

scared of something. How long you been in this business? Don't you know you can't be scared in this business. If you don't want to talk, thanks anyway (I would show that I was insulted at such an innuendo of dishonesty)." Otherwise, I would just say, "thanks anyway, and begin to talk to someone else (this type of interaction would often cause the second person to want to see proof of intent, so I would tell the person that this research was for school and showed both my school identification card and my hack license). Showing the school identification and the hack license told the person two basic things, one that I was indeed a student, and two that I had a legitimate interest in the business.

Many taxicab managements were helpful while nearly as many referred me to the Metropolitan Taxicab Board of Trade (M T B T). They told me that M T B T was their representative and if I had any questions about leasing that I should contact them.

SURVEY INSTRUMENT GUIDE DEVELOPMENT

The survey instrument guide went through various stages. The first drafts of the survey were tested on taxi drivers at the Yellow Taxi Company in Long Island City, New York. Many drivers told me that the questions were fine, but the survey was confusing and time consuming. Therefore, the questionnaire was shortened by eliminating redundant questions which would not yield any significantly different information, e.g., by asking a question in a negative form and then asking it again in a positive form. Here is a question that deals with lease prices, " lease prices are unfair, and lease prices are fair." The former question was dropped, and the latter retained.

Another important factor in the development of the survey instrument guide was the elimination of wordy questions. The drivers complained that the verbiage was an impediment to their clear understanding of the questions. For example, the question that " In your opinion has leasing caused any problems between lessees

and the company management," was shortened by using a battery format in combination with an introductory clause, the phrase "In your opinion..." Other questions were introduced by using as introductory clauses such as "I think that...", "I'd rather...", and "I'd rather not..." The elimination of redundancies and the shortening of each question amounted to an entirely shorter, more understandable questionnaire for the taxi drivers.

Besides a shorter questionnaire, some new questions were added for lessees who have no commission experience, and other questions were added for the drivers having lease with commission experience. By separating the questionnaire into specific questions for specific groups of taxi drivers, it made the questionnaire shorter by six pages for both groups of drivers.

All in all, by eliminating the redundancies in questioning, by using phrases as introductory clauses, and by only asking group- relevant questions, the development of the questionnaire had become functionally relevant.

RESEARCH PURPOSE EXPLANATION

I am from the City University of New York. I am conducting a project to find out about the opinions fleet taxicab drivers have about taxicab leasing.

This survey is completely confidential and anonymous.

INTERVIEW SCHEDULE AND INTERVIEW GUIDE

My experiences driving a taxicab, teaching at the institute, and talking to taxicab drivers about the job served as the basis for the questions in the interview schedule. The questions deal with the issues of the effects of leasing upon how taxicab drivers view being independent contractors in a very stressful, very expensive, and time consuming occupation.

The interview guide for management was developed to see how management viewed leasing in terms of its popularity at fleet garages, how their drivers felt about leasing, had there been any taxicab driver resistance towards leasing, did their company prefer the lease system over commission system, and did they think that leasing has influenced driver retention rate in the business, and why has the commission system been declining.

The taxicab drivers union interview guide was developed to see how the union viewed leasing in terms of its popularity at fleet garages, how their drivers

felt about leasing, had there been any taxicab driver resistance towards leasing, did the union try to stop it, did they think that leasing has influenced drivers retention rate in the business, and why has the commission system been declining.

**RESPONDENT INSTRUCTIONS
FOR ANSWERING QUESTIONS**

- 1. Please answer all the questions in this survey.**
- 2. For questions 1 - 16, and 23 - 38 mark the space (/).**
- 3. For questions 17 - 22 answer by writing.**

SURVEY QUESTIONS

**Instructions: Mark the space (/)
that applies to you.**

Answer the questions that apply to you.

**Col.
15**

- 1. A. I am a lease driver with commission experience. (1)**
- I am a commission driver with lease experience. (2)**
- I am a commission driver with no lease experience. (3)**
- 2. In your opinion... Yes/No**
- A. Has leasing effected the way that you are treated by company management? 8 (1)/(2)**
- B. Has leasing caused any problems between lessees and company management? 11 (1)/(2)**
- C. Do you think that the way company management treats you is important? 14 (1)/(2)**
- D. Do you like the treatment that company management gives you? 17 (1)/(2)**

		Yes/No
3.	A. Has leasing caused more problems between the drivers and the management than commission did.	20 (1)/(2)
	B. Leasing is causing drivers to stay in the business a short time.	23 (1)/(2)
	C. Lease drivers can earn enough money to make a satisfactory living.	29 (1)/(2)
	D. Is it alright for drivers to fix the taximeter in order to make more money?	32 (1)/(2)
I think that...		Agree/Disagree
	E. lease prices are fair.	(1)/(2) 35
	F. lease prices are too high.	(1)/(2) 38
	G. lease prices should be lower.	(1)/(2) 41
4.	A. I chose to lease.	(1)/(2) 44
	B. The taxi company forced me to lease.	(1)/(2) 47

		Agree/Disagree
5.	A. The taxi company did not offer me a choice between commission or lease.	50 (1)/(2)
	B. The taxi drivers union told me that I had a choice between commission or lease.	53 (1)/(2)
6.	A. My working conditions have not changed since I began to lease.	56 (1)/(2)
	B. I think commission is more profitable more than leasing.	59 (1)/(2)
	C. I think leasing is more profitable than commission.	62 (1)/(2)
7.	I'd rather not...	
	A. Pay for gas.	(1)/(2) 65
	B. Pay a late cab return fee.	(1)/(2) 68
	C. Pay for a daily lease permit.	(1)/(2) 71
	D. Pay a lease fee.	(1)/(2) 74
	E. Pay my own taxes.	(1)/(2) 77
	F. Pay my own social security.	(1)/(2) D5

		Agree/Disagree	
8.	I 'd rather...		
	A. Receive a minimum hourly wage.	(1)/(2)	8
	B. Receive a weekly paycheck.	(1)/(2)	11
		Yes/No	
9.	A. Does leasing leave you little time for your family?	(1)/(2)	14
	B. Does leasing leave you little time for your friends?	(1)/(2)	17
	C. Does leasing leave you little time for yourself?	(1)/(2)	20
		For/Against	
	D. How do you feel about leasing?	(1)/(2)	23
	E. How do you feel about commission?	(1)/(2)	26

Please write an answer for the following questions:

10.	What is the best thing about commission?	29
11.	What is the worse thing about commission?	32

12. What is the best thing about leasing? 35
13. What is the worst thing about leasing? 38
14. Has leasing effected your physical health in a good
or a bad way? If yes, how? 41
15. Has leasing effected your mental health in a good or
a bad way? If yes, how? 44

Please answer the following questions about which best describes you (Mark (\) to answer):

16. Sex: 1 () Male 2 () Female 47
17. Ethnicity: 1 () White 2 () Black 3 () Hispanic
4 () East Indian 5 () Afghan 50
6 () Oriental 7 () Other_____
18. Age: 1 () 19 - 29 2 () 30 - 39 3 () 40 - 49
4 () 50 - 59 5 () 60 - 69 53
19. Years of formal education;
1 () 8 or Fewer 2 () 9 - 12 56
3 () 13 - 16 4 () 17 - Over
20. Marital Status:
1 () Single 2 () Married 3 () Separated
4 () Divorced 5 () Widowed 59
21. Does your spouse work? 1 () Yes 2 () No 62
22. How many children do you have?
1 () 0 2 () 1 3 () 2 4 () 3 65
5 () 4 6 () 5 7 () 6 8 () 7 or More
23. Have you been in the military service?
1 () Yes 2 () No 68
24. Years driving a yellow cab:
1 () 1 or Fewer 2 () 2 - 5 3 () 6 - 10
4 () 11 - 15 5 () 16 - Over 71
25. Is this your second job?
1 () Yes 2 () No 74
26. Is your first job white collar?
1 () Yes 2 () No 77

27. Is your first job blue collar? 1 () Yes 2 () No	ID 5
28. Are you an American citizen? 1 () Yes 2 () No	8
29. Which state do you live in? 1 () New York 2 () New Jersey 3 () Other _____	11
30. Which boro do you live in? 1 () Manhattan 2 () Bronx 3 () Brooklyn 4 () Queens 5 () Staten Island	14
31. Years living at your current address? 1 () 1 or Fewer 2 () 2 - 4 3 () 5 - 7 4 () 8 or More	17
32. Do you work: 1 () Full-time? 2 () Part-time?	20
33. Have you worked at another garage before? 1 () Yes 2 () No	23

Instructions: Mark the space (/) that applies to you.

- | | | | |
|----|--|---------|----|
| 1. | A. I am lease driver with
no commission experience. | (4) | I5 |
| 2. | In your opinion... | Yes/ No | |
| | A. Do you think
that the way
company management
treats you is important? | (1)/(2) | 14 |
| | B. Do you like the
treatment that
company management
gives you? | (1)/(2) | 17 |
| 3. | A. Leasing is causing
drivers to stay in
the business a short time. | (1)/(2) | 23 |
| | B. If leasing was replaced
by another system where
drivers did not have
to pay the company to work,
then drivers would stay
in the business longer
than they do now. | (1)/(2) | 26 |
| 29 | C. Lease drivers can earn
enough money to make
a satisfactory living. | (1)/(2) | 29 |

	Yes/No	
D. Is it alright for drivers to fix the taximeter in order to make more money?	(1)/(2)	32
I think that...		
E. lease prices are fair.	(1)/(2)	35
F. lease prices are too high.	(1)/(2)	38
G. lease prices should be lower.	(1)/(2)	41
4. A. I chose to lease.	(1)/(2)	44
B. The taxi company forced me to lease.	(1)/(2)	47
5. A. The taxi company did not offer me a choice between commission or lease.	(1)/(2)	50
B. The taxi drivers union told me that I had a choice between commission or lease.	(1)/(2)	53
6. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
Agree/Disagree		
7. I'd rather not...		
A. Pay for gas.	(1)/(2)	65
B. Pay a late cab return fee.	(1)/(2)	68
C. Pay for a daily lease permit.	(1)/(2)	71

	Agree/Disagree	
D. Pay a lease fee.	(1)/(2)	74
E. Pay my own taxes.	(1)/(2)	77
F. Pay my own Social Security.	(1)/(2)	D5
8. I'd rather...	Agree/Disagree	
A. Receive a minimum hourly wage.	(1)/(2)	8
B. Receive a weekly paycheck.	(1)/(2)	11
	Yes/No	
9. A. Does leasing leave you little time for your family?	(1)/(2)	14
B. Does leasing leave you little time for your friends?	(1)/(2)	17
C. Does leasing leave you little time for yourself?	(1)/(2)	20
	For/Against	
D. How do you feel about leasing?	(1)/(2)	23

Please write an answer for the following questions:

10. XXXXXXXXXXXXXXXXXXXXXXXX

11. XXXXXXXXXXXXXXXXXXXXXXXX

12. What was is the best thing about leasing? 35

13. What is the worst thing about leasing? 38

14. Has leasing effected your physical health in a good or bad way? If yes, how? 41

15. Has leasing effected your mental health in a good or bad way? If yes, how? 44

FOOTNOTES

1 - 3 Miriam. Wells, "The Resurgence of Sharecropping: Historical Anomaly or Political Strategy?" American Journal of Sociology 90 (1987): 17.

4 Joani Nelson-Horchler, "The Trouble With Temps," Industry Week (December 14, 1987): 54.

5 - 8 Jeff Day Rent-A-Staff: "A New Lease On Work?" Across The Board (July / August 1987): 55.

9 Ibid., p. 54.

10 Ibid., p. 55.

11 Ibid., p. 54.

12 Gorman Gilbert and Robert E. Sammuels, "The Taxicab: An Urban Transportation Survivor." University of North Carolina Press: 1982. pp. 92 -93.

13 New York City Taxi & Limousine Commission, "Leasing in the Taxi Industry," by Steve Fulcinelli, Industry Profile #2, April 1987, p. 1.

(14) Ibid. p. 1.

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